

# EDICT OF THE PRESIDENT OF THE REPUBLIC OF BELARUS

No. 99 of February 25, 2014

## **On Regulation of Leasing Activity**

Amendments and additions:

Edict of the President of the Republic of Belarus dated April 6, 2017, No. 109 (the National Legal Internet Portal of the Republic of Belarus, April 8, 2017, 1/16998) – amendments and additions were made that came into force since August 9, 2017, except for amendments and additions that will come into force since October 9, 2017;

Edict of the President of the Republic of Belarus dated April 6, 2017, No. 109 (the National Legal Internet Portal of the Republic of Belarus, April 8, 2017, 1/16998) – amendments and additions were made that came into force since August 9, 2017, and October 9, 2017.

For the purposes of improvement of governmental regulation of the leasing activity in the Republic of Belarus:

1. it shall be established that:

1.1. only the leasing organizations included by the National Bank to the register of leasing organizations (hereinafter referred to as “the Register”) as well as legal entities and individual entrepreneurs as provided for in the second and third part of this subsection and the second part of subsection 1.7 of this section (hereinafter referred to as “the Lessor”) are entitled to perform the leasing activity. The fact of including a leasing organization to the Register shall be proved by the registration certificate (hereinafter referred to as “the Certificate”) issued by the National Bank in accordance with the form prescribed by it.

The following entities are entitled to conduct the leasing activity even if they are not included to the Register:

any legal entities and individual entrepreneurs if they have concluded at most three financial lease contracts within one calendar year and (or) if the total cost of leased assets transferred under one or several financial lease contract signed by these lessors within one calendar year is less than 10,000 basic amounts;

any foreign organizations conducting the leasing activity in the Republic of Belarus through a permanent representative office;

any legal entities authorized to provide the property under the terms of the financial leasing according to the decisions of the President of the Republic of Belarus.

Banks, non-bank financial institutions conduct the leasing activity in accordance with the Banking Code of the Republic of Belarus and other regulations with due consideration of the requirements set by this Edict; however, they are not obliged to be included to the Register;

1.2. the procedure and conditions for conduction of the leasing activity are determined by this Edict, other legislative acts and normative legal acts of the National Bank adopted in accordance with the aforementioned documents to regulate the leasing activity.

1.3. For the purposes of this Edict the following terms shall have the following meaning:

the leasing activity is the business activity for acquisition of property by the Lessor, with the right of ownership, for the purpose of subsequent provision to a legal entity or natural person (hereinafter referred to as “the Lessee”) for paid temporary possession and use;

the dwelling room lease contract is a financial lease contract where the leased asset is a flat in the private dwelling stock in a multi-flat dwelling house or a terraced dwelling house (hereinafter referred to as “a flat”) and /or a single-flat dwelling house in the private dwelling stock (hereinafter referred to as “a single-flat dwelling house”). Here, the set of things covered by the dwelling room lease contract as the leased asset may include other real things related to the flat and (or) the single-flat dwelling house in terms of their common purpose (or ownership) unless otherwise is specified by the Civil Code of the Republic of Belarus and other legislative acts;

the leasing activity with dwelling rooms is the leasing activity that involves acquisition of a flat or a single-flat dwelling house by the Lessor, with the right of ownership, and subsequent provision to the Lessee for paid temporary possession and (or) use;

the leasing organization is a legal entity that meets the requirements imposed by this Edict or other legislative acts and normative legal acts of the National Bank adopted in accordance with the aforementioned documents to regulate the leasing activity, and that conducts the leasing activity;

the sublease contract is a kind of a lease contract under which the Lessee (the Sublessor under the sublease contract) transfers property received from the Lessor under a lease contract and comprising the leased asset, within the scope of the Lessee’s rights granted under the lease contract, to the third party (the Sublessee) for paid possession and use during the specified time period.

The terms “flat”, “dwelling house”, “multi-flat dwelling house”, “terraced dwelling house”, “single-flat dwelling house” shall have the meanings defined in Article 1 of the Dwelling Code of the Republic of Belarus.

The term “equity capital” shall have the meanings defined in the twentieth paragraph of Article 1 of Law of the Republic of Belarus, dated July 12, 2013, “On Accounting and Reporting”.

The term “senior position” shall have the meanings defined in the footnote for the first part of Clause 9 of Decree of the President of the Republic of Belarus fayed December 15, 2014, No.5, “On Strengthening the Requirements for the Senior Staff Members and Personnel in Organizations”;

1.4 The prerequisite for including a leasing organization to the Register is the formation of the statutory fund at least equal to the minimum amount of 125 thousand Belarusian Rubles as of the date of submission of an application for including to the Register unless except for the cases stipulated in the second part of this Subclause.

Leasing organizations conducting leasing activities as of the date when this Edict comes into force shall be included to the Register regardless of the amount of their statutory fund formed as of the date of submission of an application for including to the Register. However, these leasing organizations shall form their statutory funds:

as of July 1, 2015 - not less than 50 percent of the minimum amount of the statutory fund specified in the first part of this Subclause;

as of July 1, 2016 – at least the minimum amount of the statutory fund specified in the first part of this Subclause;

1.5. To be included to the Register, a leasing organization shall submit the following documents to the National Bank:

an application for inclusion to the Register, filed in accordance with the form specified by the National Bank;

a copy of the Articles of Association;

a copy of a document confirming that the statutory fund has been formed with due consideration of the provisions of Subclause 1.4 of this Clause.

The National Bank shall reject an application for inclusion to the Register if the leasing organization fails to submit all the documents specified in the first part of this Subclause.

The National Bank shall study the documents submitted by a leasing organization for including to the Register and make a decision to include (or refuse to include) the leasing organization to the Register within 15 business days after receiving the documents specified in the first part of this Subclause. No fee shall be charged for studying the documents, for inclusion the leasing organization to the Register and for issuing the Certificate.

The National Bank shall refuse to include a leasing organization to the Register in the following cases:

submission of documents by the leasing organization as stipulated in the first part of this Subclause but not meeting the requirements of the legislation including false, forged or invalid documents and (or) documents containing false information;

failure by a leasing organization to meet the requirements with regard to the statutory fund formation as of the date of submission of an application for including to the Register, with due consideration of provisions stipulated in Subclause 1.4 of this Clause;

a leasing organization had been earlier removed by the National Bank from the Register due to the reasons set forth in the fourth and fifth paragraphs of the sixth part of this Subclause, and the period set in accordance with the seventh part of this Subclause has not yet expired.

A leasing organization included to the Register must, within the time periods stipulated by the leasing activity legislation, inform the National Bank about any changes in information declared by this organization in order to be included to the Register; for this purpose, the copies of documents confirming appropriate information changes must be submitted (if necessary).

The reasons for removal of a leasing organization from the Register by the National Bank may be as follows:

appropriate application from a leasing organization;

removal of a legal entity from the Unified State Register of Legal Entities and Individual Entrepreneurs;

regular (two or more times during a calendar year) failure by a leasing organization to comply with the National Bank's written order to eliminate breaches and (or) with the National Bank's requirement sent in accordance with the second part of Subclause 1.13 of this Clause;

failure by a leasing organization to comply with the requirement set in Subclause 1.4 of this Clause with regard to the minimum amount of the statutory fund.

The National Bank may remove a leasing organization from the Register for the period up to one year for the reasons stipulated in the fourth and fifth paragraphs of the sixth part of this Subclause. Upon the expiry of this period, the leasing organization removed from the Register may reapply to the National Bank for inclusion to the Register in accordance with the procedure established by this Edict;

1.5<sup>1</sup>. the leasing activity with dwelling rooms may only be conducted by leasing organizations included to the Register and meeting the requirements as follows:

the statutory fund of a leasing organization shall be formed by placing money, at least 250 thousand Belarusian Rubles;

each time, as of the first day of the month following the end of a quarter, the amount calculated as the leasing organization's equity capital plus the sum of invited loans recognized in accordance with the legislation as subordinated loans with their repayment period remaining

longer than three years as of the first day of the month following the end of a quarter shall be at least 2500 thousand Belarusian Rubles plus the amount of correction of the leasing organization's equity capital specified by the National Bank with due consideration of variations of the consumer price index;

break-even operation, during the recent calendar year, of a leasing organization or legal entities being the founders of a leasing organization founded in a calendar year when the written notification is sent to the National Bank in accordance with the second part of this Subclause;

no cases when a written order for elimination of breaches, issued by the National Bank in accordance with the procedure prescribed by the legislation, was not implemented in due time.

Leasing organization having an intention to conduct the leasing activity with dwelling rooms shall send a written notification, signed by the leasing organization's head, to the National Bank, with the data confirming the compliance with the requirements set for leasing organizations in accordance with the first part of this Subclause and with the requirements for a leasing organization's head in accordance with the first part of Subclause 1.5<sup>2</sup> of this Clause.

Leasing organizations conducting the leasing activity with dwelling rooms must, within the periods and in accordance with the procedure specified by the National Bank, prepare and submit the reporting and other information to the National Bank:

on compliance with the requirements specified in the first part of this Subclause; and

on the leasing activity with dwelling rooms conducted by an organization;

1.5<sup>2</sup>. the head of a leasing organization conducting the leasing activity with dwelling rooms must meet the requirements as follows:

higher education in law or economics, or other higher education with the retraining equivalent to higher education to gain a specialty in law or economics;

experience of work, at least one year, at senior positions in a leasing organization, bank, non-banking credit and financial organization, international financial organization or the National Bank;

no unexpunged or outstanding criminal record for commission of a crime against property or against the economic activity procedure.

Leasing organization's head incompliance with the requirements specified in the first part of this Subclause shall be a reason for the National Bank to send a written order for dismissal of such a head from the job;

1.6 Any leasing organization including to the Register must prepare and submit their reporting and other information to the National Bank within the periods and in accordance with the procedure established by the National Bank.

Foreign organizations conducting a leasing activity in the Republic of Belarus through a permanent representative office must prepare their reporting and other information on their leasing activity conducted in the territory of the Republic of Belarus through a permanent representative office and submit it to the National Bank through a permanent representative office in the Republic of Belarus within the periods and in accordance with the procedure established by the National Bank.

Any leasing organization included to the register must disclose information on its leasing activity and financial condition by publishing this information and by placing it in readily visible locations in premises possessed by the organization as well as on its official website in the Internet within the scope and in accordance with the procedure established by the National Bank;

1.7. the Lessor's consent for the leased asset transfer by the Lessee to a third party (the Sub-lessee) for paid temporary possession and use (the subleasing) shall be expressed in writing.

The Lessees that are the legal entities or individual entrepreneurs not included to the Register may conclude at most three sublease contracts during a calendar year as Sublessors;

1.7<sup>1</sup>. the Lessee may, subject to the Lessor's consent, transfer its rights and obligations according to the financial lease contract to another entity in accordance with the procedure specified in the Civil Code of the Republic of Belarus; this results in termination of rights and obligations of such a Lessee according to the financial lease contract.

The Lessor's consent for the transfer by the Lessee of its rights and obligations according to the financial lease contract to another entity must be expressed in writing. The Lessor must inform the seller (the supplier) about the decision in writing.

The transfer of the Lessee's rights and obligations according to the financial lease contract to another entity shall be carried out within the scope and under the conditions that were valid at the time of transfer of these rights and obligations. However, the terms and conditions of the financial lease contract with regard to the leased asset value and the period of temporary possession and use of the leased asset shall not be subject to further modification under the agreement between the parties.

1.8. The material condition for the contract of sale and purchase (delivery) of any property acquired for subsequent transfer as a subject of the financial lease contract, in addition to other material conditions established by the legislation, is a provision specifying that the property is intended for transfer under a financial lease contract to the specific Lessee.

Material conditions of the financial lease contract, in addition to any material conditions established by the legislation, are as follows:

the leased assets (its description, quantitative and other characteristics making it possible to determine specifically the property to be leased out);

the provision specifying the contractual party choosing the leased asset and the seller;

the value of the leased asset;

the amount or the procedure for calculating the amount, the method and time intervals for making payments to the Lessor for the acquisition and provision of the leased asset to the Lessee for temporary possession and use (i.e. lease payments);

the redemption value of the leased asset, if the contract provides for its redemption;

the provision specifying the party that shall record the leased asset in the balance sheet as a part of assets; and

the time period for temporary possession and use of the leased asset.

Material conditions of any sublease contract, in addition to any material conditions established by the legislation, are as follows:

the leased assets (its description, quantitative and other characteristics making it possible to determine specifically the property to be leased out);

the value of the leased asset;

the amount or the procedure for calculating the amount, the method and time intervals for making payments to the Sublessor for the acquisition and provision of the leased asset to the Sublessee for temporary possession and use (i.e. lease payments);

the Sublessee's rights within the scope of the Lessee's rights;

the Sublessee's obligations, with due consideration of obligations of the Lessee (the Sublessor under a sublease contract), including the obligations in terms of the return of the leased asset by the Sublessee, irrespective of fulfillment of obligations by the latter, not later than

at the time appropriate to satisfy the Lessor's demand to return the leased asset before the prescheduled date in cases provided for by the contract with the Lessor or by the legislation;

the period of validity of the sublease contract within the period of validity of the financial lease contract;

restrictions on the use of the leased asset provided for by the financial lease contract;

1.9. the Lessor may exercise control over the safety of the leased asset, over keeping it in operable condition, and over the compliance with the Lessor-imposed restrictions on the use of a leased asset including an asset transferred to a Sublessee for temporary possession and use under a sublease contract.

The Sublessor may exercise control over the safety of the leased asset, over keeping it in operable condition, and over the compliance with the Sublessor-imposed restrictions on the use of a leased asset;

1.10. the Lessor may use the leased asset as a collateral for the purpose of securing the fulfillment of obligations only under a credit contract (loan agreement) concluded for repayment of the leased asset's value unless otherwise provided for by the financial lease contract;

1.11. the Lessee shall bear all expenses related to the return of the leased asset to the Lessor, including the expenses for the leased asset dismantling and transportation unless otherwise provided for by the financial lease contract;

1.12. any property that was earlier acquired by the Lessor for the purposes of leasing it out and that was returned to the Lessor by the Lessee under the financial lease contract that is no longer valid and was not terminated by the leased asset redemption may be leased out by the Lessor;

1.13. The National Bank shall:

create the Register and keep records in it in accordance with the procedure established;

specify the form of the Certificate;

establish the rules for conducting the leasing activity in accordance with this Edict and other legislative acts;

establish the form, scope and content of the reporting and other information for leasing organizations included to the Register and for foreign organizations conducting the leasing business in the Republic of Belarus through their permanent representative offices, as well as the terms and procedures for this information preparation and submission to the National Bank;

establish the scope and procedure for disclosing the information on leasing activities of leasing organizations included to the Register as well as their financial condition;

exercise control over the compliance with the legislation on the leasing activity;

specify the amount of correction of the leasing organization's equity capital with due consideration of variations of the consumer price index;

if necessary, send written orders for elimination of breaches in cases when the breaches of the legislation on the leasing activity are revealed;

if necessary, send written orders prohibiting the leasing activity with dwelling rooms if a leasing organizations does not meet at least one of the requirements stipulated in the first part of Subclause 1.5<sup>1</sup> in this Clause or if the obligations provided for by Clause 1<sup>1</sup> of this Edict are not fulfilled or fulfilled improperly;

if necessary, apply for auditing services to audit the accounting (financial) reporting documents of a leasing organization included to the register;

if necessary, ask for dismissal of a head and (or) a chief accountant of a leasing organization included to the Register, and (or) their deputies, from their jobs in cases stipulated in the second part of this Subclause and in the second part of Subclause 1.5<sup>2</sup> of this Clause;

if necessary, remove a leasing organization from the Register in cases specified in the sixth part of Subclause 1.5 of this Clause;

if necessary, file a suit in a court for dissolution of a leasing organization for reasons and in accordance with the procedure established by legislative acts.

If a leasing organization included to the Register fails regularly (two or more times during a calendar year) to comply with written orders of the National Bank for elimination of breaches found during inspections carried out within the territory of the National Bank's jurisdiction as a result of analysis of reporting and other documents and information obtained by the National Bank in accordance with the legislation, while the leasing organization is not asked for submission of any other documents (in-house audits), the National Bank may send a written order to suspend a head and (or) a chief accountant of such a leasing organization, and (or) their deputies, from their jobs until the complete elimination of breaches found.

1.14. the following is illegal and shall be prohibited:

the leasing activity by entities not included to the Register except for the cases stipulated in the second and third parts of Subclause 1.1 and the second part of Subclause 1.7 of this Clause;

the leasing activity with dwelling rooms carried out by a leasing organization not complying with, at the time of signing the dwelling room lease contract, at least one requirement of those listed in the second part of Subclause 1.5<sup>1</sup> of this Clause, and it shall remain illegal until information describing elimination of any revealed nonconformities and documents confirming this elimination are submitted to the National Bank;

1.15. for uncontested claims, collection of indebtedness in lease payments calculated in accordance with the financial lease contract; of the redemption value of a leased asset (the amount for acquisition of ownership for a leased asset minus the amount of compensation of Lessor's investment expenses included into the leased asset value and payable as a part of lease payments), if the redemption provision is stipulated in the contract terms and conditions; of a forfeit (penalty, fine) related to the aforementioned indebtedness if its repayment is provided for by the legislation or by the contract; of interests for making use of another entity's money related to the implementation of the financial lease contract; of sums of payable interests for making use of another entity's money, where these sums are stipulated by the legislation or recognized by a debtor in writing and where the amounts of these sums are specified by the aforementioned contract by virtue of the second part of Clause 1, Article 366 of the Civil Code of the Republic of Belarus – shall be carried out by virtue of the executive endorsement.

<sup>1</sup>. To ensure stable break-even operation, a leasing organization must, before the beginning of conduction of leasing activity with dwelling rooms, establish a fund to cover possible and (or) existing losses under the dwelling room lease contracts (hereinafter referred to as the Fund), form and use this Fund in accordance with the procedure as follows:

<sup>1</sup>.1. as of the first day of the month following the end of a quarter, the Fund amount must be at least 2 per cent of the leased asset value in accordance with the dwelling room lease contract, not compensated as a part of lease payments;

<sup>1</sup>.2. the Fund source shall be the profit remaining at the disposal of the leasing organization as of the first day of the month following the end of a quarter, after payment of taxes, duties (dues), other mandatory payments to the budget and governmental extra-budgetary funds, and the Fund must be accounted separately from other funds established by a leasing organization in accordance with the legislation. Here, if the amount of the Fund formed as of the aforementioned date is less than the minimum amount specified in Subclause 1<sup>1</sup>.1 of this Clause, the Fund must be raised up to the specified amount from the profit, at least 2 per cent of the

aforementioned profit of a leasing organization in the previous quarter and, if it is insufficient, from other sources chosen by the leasing organization's property owner (or founders, or members);

1<sup>1.3.</sup> the leasing organization may place the Fund amounts on accounts and (or) deposits, allocate them for acquisition of governmental securities of the Republic of Belarus, securities of the National Bank, of local executive and administrative agencies, of banks of the Republic of Belarus, precious metals (except for scrap and waste), placing these precious metals on accounts and (or) deposits in banks of the Republic of Belarus;

1<sup>1.4.</sup> the Fund amounts shall be used to cover the losses resulting from:

Lessee's failure to fulfill (or improper fulfillment of) its obligations towards the Lessor as specified by the dwelling room lease contract, with the indebtedness period over 180 days;

settlements with the Lessee in cases stipulated in Clauses 21-24 of the Regulation on Leasing of Single-Flat Dwelling Houses and Flats in the Republic of Belarus, approved by this Edict, when the dwelling room lease contract is terminated.

Covering the losses listed in the first part of this Subclause from the Fund amounts shall not exempt the Lessee from fulfillment of obligations under the dwelling room lease contracts that the Lessee failed to fulfill (or fulfilled improperly) resulting in the aforementioned losses, and shall be without prejudice to the Lessor's rights to take measures provided for by the legislation to enforce the fulfillment of Lessee's obligations and to recover the losses from the Lessee.

1<sup>2.</sup> As for single-flat dwelling houses and flats acquired by leasing organizations in pursuance of dwelling room lease contracts concluded with the Lessees being the natural persons, the amount of payments for utility services and electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators shall be set in accordance with the tariffs (prices) specified by the legislation for the general public.

If the dwelling room lease contract is terminated early and the single-flat dwelling house or the flat comprising the leased asset are returned to the Lessor, payments for utility services and electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators shall be set for such a single-flat dwelling house or a flat from the time of the aforementioned contract termination, and the tariffs (prices) shall be applied in accordance with the legislation. The owner of the aforementioned single-flat dwelling house or flat must, not later than at the next business day, notify a local executive and administration agency where the dwelling room lease contract was registered to inform it that this contract has been terminated.

1<sup>3.</sup> The enclosed Regulation on Leasing of Single-Flat Dwelling Houses and Flats in the Republic of Belarus shall be approved.

1<sup>4.</sup> Subclauses 1.5<sup>1</sup> and 1.5<sup>2</sup> of Clause 1, Clauses 1<sup>1</sup> and 1<sup>2</sup> of this Edict and the Regulation on Leasing of Single-Flat Dwelling Houses and Flats in the Republic of Belarus approved by this Edict shall not be applied to the relations with regard to the conclusion and implementation of dwelling room lease contracts where the Lessor undertakes to acquire ownership for a single-flat dwelling house or a flat and to provide this property, comprising the leased asset, for paid temporary possession and use by a legal entity or an individual entrepreneur for purposes related to its entrepreneurial activity. However, the requirements of legislation in terms of the leasing of dwelling rooms shall be applied to the relations with regard to the conclusion and implementation of dwelling room lease contracts for the purposes of accommodation of Lessee's employees if the Lessee is a legal entity or an individual entrepreneur.

2. The following additions shall be made in the Edicts of the President of the Republic of Belarus:

2.1. in Clause 12 of the Articles of Association of the National Bank of the Republic of Belarus, approved by Edict of the President of the Republic of Belarus dated June 13, 2001,



No. 320 (the National Register of Legal Acts of the Republic of Belarus, 2001, No. 58, 1/2748, 2007, No. 148, 1 / 8682, the National Legal Internet Portal of the Republic of Belarus, February 06, 2013, 1/14055):

insert the following paragraph after the forty-seventh paragraph:

“regulates, in accordance with the legal acts of the Republic of Belarus, the leasing activity and exercises control of compliance with the legislation on the leasing activity”;

the forty-eighth paragraph shall be considered as the forty-ninth paragraph;

2.2. add to the “Control (supervision) scope” paragraph of Clause 3 in the list of controlling (supervisory) agencies and scopes of their controlling (supervisory) activity approved by the Edict of the President of the Republic of Belarus dated October 16, 2009, No. 510, “On Improvement of Controlling (Supervisory) Activity in the Republic of Belarus” (the National Register of Legal Acts of the Republic of Belarus, 2009, No. 253, 1/11062; the National Legal Internet Portal of the Republic of Belarus, July 31, 2012, 1/13654), the sixth paragraph with the wording as follows:

“control of compliance with the legislation on leasing activity”.

3. It shall be established that the legal entities conducting their leasing activity as of the date when this Edict comes into force may conduct their leasing activity, even if they are not included to the Register, until March 1, 2015. However, if they have an intention to conduct this activity further, they must apply to the National Bank before the expiry of the aforementioned period to be included to the Register in accordance with this Edict.

4. Contracts specified in the first part of Subclause 1.8 of Clause 1 of this Edict and the financial lease contracts concluded before the date when this Edict comes into force shall not be brought into conformity with this Edict and shall remain in force until the parties fulfill all their obligations undertaken with regard to these contracts.

5. Before September 1, 2014, the National Bank and the Council of Ministers of the Republic of Belarus shall:

bring the legislative acts into conformity with this Edict;

take other measures to implement this Edict.

6. This Edict shall come into force as follows:

6.1. Clause 5, after the official publication of this Edict;

6.2. other provisions of this Edict, from September 1, 2014.

**The President of the Republic of Belarus**

**A.Lukashenko**

APPROVED BY

The Edict of the President of the Republic of Belarus dated February 25, 2014, No. 99 (as amended by the Edict of the President of the Republic of Belarus dated April 06, 2017, No. 109)

**REGULATION  
on Leasing of Single-Flat Dwelling Houses and Flats in the Republic of Belarus**

**CHAPTER 1  
GENERAL PROVISIONS**

1. This Regulation defines the specific elements of the procedure and conditions for conclusion, implementation and termination of dwelling room lease contracts as well as the conditions for implementation of leasing activity with dwelling rooms in the territory of the Republic of Belarus.

2. For the purposes of this Regulation, terms are used as defined in Subclause 1.3 of Clause 1 of the Edict approving this Regulation, as well as the terms having the following meaning:

redemption value of a leased asset is the redemption value of acquisition of ownership for the leased asset by the Lessee stipulated by the dwelling room lease contract and paid beyond the lease payments (if the dwelling room lease contract provides for the leased asset redemption), calculated as the leased asset value according to the dwelling room lease contract minus the part of the amount of lease payments compensating fully or partially the Lessor's investment expenses that were taken into consideration to calculate the leased asset value unless otherwise is provided for by the legislation or the dwelling room lease contract;

Lessor's investment expenses are the expenses that were taken into consideration to calculate the leased asset value and that are related to the acquisition of property intended for subsequent transfer as a leased asset, to the procedure for bringing it to the condition suitable for using by the Lessee in accordance with the dwelling room lease contract, to the transfer of a leased asset to the Lessee, and the Lessor's expenses, subject to full or partial compensation by the Lessee in accordance with the dwelling room lease contract, not taken into consideration for calculation of the value of the leased asset and related to the dwelling room lease contract conclusion and fulfillment;

Lessor's other investment expenses are the Lessor's expenses, stipulated by the legislation, subject to full or partial compensation by the Lessee in accordance with the dwelling room lease contract, not included into the leased asset value and related to the conclusion and fulfillment of the dwelling room lease contract including the expenses for land tax or rental payment for the land plot accommodating a dwelling house or a flat comprising the leased asset;

lease payments are the total amount of payment to the Lessor for acquisition of the leased asset and for its provision to the Lessee for temporary possession and use including the amounts fully or partially compensating the Lessor's investment expenses taken into consideration in the leased asset value, other investment expenses and the Lessor's remuneration (income) amount;

the Lessor is a leasing organization that meets the requirements set forth by the first part of Subclause 1.5<sup>1</sup>, Clause 1 of the Edict approving this Regulation, and that conducts the leasing activity with dwelling rooms;

the Lessee is a citizen of the Republic of Belarus or foreign citizen or a stateless person permanently residing in the Republic of Belarus, such as the leased asset is provided to such a person in accordance with the dwelling room lease contract for temporary possession and use but not for entrepreneurial purposes;

leased asset value is the value of the leased asset provided to the Lessee for temporary possession and use, where this value is defined, negotiated between the Lessor and the Lessee, as the sum of Lessor's investment expenses related to the acquisition of a leased asset, to the procedure for bringing it to the condition suitable for using by the Lessee in accordance with the dwelling room lease contract, and to the transfer to the Lessee; this value is used for calculation of lease payments and the redemption value of the leased asset (if the contract provides for the leased asset redemption).

The terms "former family member", "dwelling room", "room", "family member" shall have the meanings defined in Article 1 of the Dwelling Code of the Republic of Belarus.

3. The material condition for the dwelling room lease contract, in addition to other material conditions established by the legislation, is a provision specifying the dwelling room lease contract party bearing the duties to

conclude the contracts for provision of utility services and for purchase of electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators;

make payments for utility services and for the electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, in accordance with the procedure stipulated by the dwelling legislation.

4. The dwelling room lease contract shall contain the list of family members entitled, on equal terms with the Lessee, to possess and use a single-flat house or a flat considered as the leased asset.

## **CHAPTER 2**

### **PARTIES' RIGHTS AND DUTIES. LIABILITY UNDER THE DWELLING ROOM LEASE CONTRACT**

5. The Lessor shall be entitled to demand that:

the Lessee must use a single-flat dwelling house or a flat, provided to the Lessee for possession and use, in accordance with the requirements set forth by the legislation and with adherence to the terms and conditions of the dwelling room lease contract;

access must be provided to a single-flat dwelling house or a flat comprising the leased asset (in time periods agreed with the Lessee and with the Lessee attending) for employees of organizations operating the dwelling stock and (or) providing utility services to inspect the technical condition of such a single-flat dwelling house or a flat, utility systems and equipment, to carry out the repair works, and for the Lessor's representatives to control the leased asset preservation and its use in accordance with the terms and conditions of the dwelling room lease contract;

the Lessee must fulfill other duties provided for by the legislation and (or) the dwelling room lease contract.

6. The Lessee shall have the right:

without consent of adult family members living together with him/her and without the Lessor's consent, to grant a right to possess and use a single-flat dwelling house or a flat comprising the leased asset to his/her spouse, parents and children;

subject to the written consent of all family members living together with him/her and subject to the Lessor's consent, to grant a right to possess and use a single-flat dwelling house or a flat comprising the leased asset to his/her siblings, grandparents and grandchildren as well as

other relatives, in-law relatives and dependents unable to work that have signed a written contract with him/her for recognizing them as family members;

subject to the Lessor's consent, to grant a right to possess and use a single-flat dwelling house or a flat comprising the leased asset (or a dwelling room in such a single-flat dwelling house or a flat), within the lease period specified in the dwelling room lease contract, to a person by virtue of a dwelling room tenancy contract or to grant temporary for possession and use without compensation in accordance with the procedure set forth by the legislation;

to demand to make amendments in the dwelling room lease contract in order to specify:

a spouse (spouses), parents and children that will have the right, in equal terms with the Lessee, to possess and use a single-flat dwelling house or a flat comprising the leased asset;

contracts for provision of utility services and for purchase of electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, where the Lessor bears the duty to conclude these contracts if, in accordance with the acts of legislation, these contracts may be concluded only by an owner of a single-flat dwelling house or a flat;

to demand the fulfillment, by the Lessee, of other obligations provided for by the legislation or by the dwelling room lease contract.

The persons to whom the right to possess and use a single-flat dwelling house or a flat has been granted in accordance with the procedure set forth by the second and third paragraph of the first part of this Clause must be listed in the dwelling room lease contract by making appropriate amendments in it.

7. The Lessor must:

provide (including related invitation of specialized organizations or organizations implementing the dwelling stock operation and (or) providing utility services) repair of damages in a single-flat dwelling house or a flat comprising the leased asset resulting from defects of structural elements or utility systems but not resulting from Lessee's failure to fulfill (or improper fulfillment of) its obligations as specified by the dwelling room lease contract, and the expenses for repair of such damages must not be included into lease payments to be paid by the Lessee;

conclude contracts for provision of utility services and for purchase of electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, make payments for utility services and for the electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, in accordance with the procedure and within the time periods specified by the dwelling legislation if, in accordance with the acts of legislation and (or) the dwelling room lease contract, the duties of conclusion of contracts for provision of utility services and for purchase of electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, and (or) the duties of making payments for utility services and for purchase of electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, are born by the Lessor;

in cases and in accordance with the procedure stipulated by the legislation and (or) the dwelling room lease contract, provide (including such provision with an invitation of specialized organizations or organizations implementing the dwelling stock operation and (or) providing utility services) uninterrupted operation of plumbing and other equipment mounted in a single-flat dwelling house or in a flat comprising the leased asset and (or) the equipment ensuring the compliance of a single-flat dwelling house or a flat with sanitary norms, rules, hygienic standards and other technical requirements set forth for residence and applicable to the dwelling rooms (hereinafter referred to as sanitary and technical requirements set forth for residence).

8. The Lessee must:

use a single-flat dwelling house or a flat comprising the leased asset in accordance with the requirements set forth by the legislation and in compliance with the requirements provided for by the dwelling room lease contract;

conclude the contracts for provision of utility services and for purchase of electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, make payments for utility services and for electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators in accordance with the procedure and within the time periods set forth by the dwelling legislation and (or) by the dwelling room lease agreement if, in accordance with legislative acts and (or) the dwelling room lease agreement, the duties to conclude the contracts for provision of utility services and for purchase of electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, and (or) the duty to make payments for utility services and for electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators is assigned to the Lessee;

ensure preservation of a single-flat dwelling house or a flat comprising the leased asset including the plumbing equipment and other equipment mounted in a single-flat dwelling house or in a flat comprising the leased asset and (or) the equipment ensuring the compliance of a single-flat dwelling house or a flat with sanitary and technical requirements set forth for residence including such activities for this purpose as immediate notification of the Lessor and an organization, implementing the dwelling stock operation and (or) providing utility services or providing electrical energy consumed to light auxiliary rooms and to operate the equipment including elevators, about any detected defects of structural elements of a single-flat dwelling house or a flat comprising the leased asset and (or) the aforementioned plumbing and other equipment;

reimburse damage inflicted to the property of other persons and organizations during their possession and use of a dwelling room being the subject in the dwelling room lease contract;

provide access to a single-flat dwelling house or a flat comprising the leased asset (in time periods agreed with the Lessee and with the Lessee attending) for employees of organizations operating the dwelling stock and (or) providing utility services, in cases stipulated by the legislation, and for the Lessor's representatives to control the leased asset preservation and its use in accordance with the terms and conditions of the dwelling room lease contract.

9. The Lessor and the Lessee also have other rights and bear other duties provided for by this Regulation, other legislative acts as well as the dwelling room lease contract.

10. Lessee's family capable adult members and former members listed in the dwelling room lease contract and living in a single-flat dwelling house or a flat comprising the leased asset are liable jointly and severally with the Lessee with regard to the fulfillment of Lessee's duties provided for by the dwelling room lease contract and other liabilities stipulated by the legislation and related to the possession and use of a dwelling room.

### **CHAPTER 3**

#### **SPECIFIC ELEMENTS OF THE PROCEDURE FOR CONCLUSION, IMPLEMENTATION AND TERMINATION OF THE DWELLING ROOM LEASE CONTRACT**

11. The Lessor must, within seven business days following the day of conclusion of the dwelling room lease contract or the related additional agreement providing for making changes in information about the Lessee's family members listed in the dwelling room lease contract, register this contract or related additional agreement in the local executive and administrative authority.

Local executive and administrative authorities register the dwelling room lease contracts and related additional agreements referred to in the first part of this Clause within two days or, if the request is sent to obtain documents and (or) data from other governmental agencies or other

organizations, within ten days from the date of submission thereof by the Lessor in accordance with the specified form.

The dwelling room lease contract shall be prepared in three copies, with one copy kept by the Lessor, another, by the Lessee, and the third, by the local executive and administrative authority that has registered this contract.

12. The property comprising the leased asset according to the dwelling room lease contract must not be transferred to the third party (the Sublessee) by virtue of the sublease contract.

13. The dwelling room lease contract must neither set any provisions providing for any restrictions for the Lessee except for those stipulated by the legislation, nor prohibit early fulfillment of obligations by the Lessee in terms of lease payments and (or) payment of the redemption value stipulated by the dwelling room lease contract.

14. The right of ownership for a single-flat dwelling house or a flat comprising the leased asset may be transferred to the third party not being the leasing organization only in cases stipulated in Clauses 27 and 29 of this Regulation as well as in cases when this right is transferred to the third party within the scope of the legal succession when the Lessor is reorganized.

In other cases, the right of ownership for a single-flat dwelling house or a flat comprising the leased asset may be transferred only to leasing organizations engaged in leasing activity with dwelling rooms; this property is encumbered by the Lessee's rights in terms of possession and use of a single-flat dwelling house or a flat comprising the leased asset and all the Lessor's rights and duties provided for by the dwelling room lease contract are transferred to the aforementioned leasing organization. However, the Lessee shall fulfill its duties towards the new Lessor in accordance with the procedure and terms as set forth by the dwelling room lease contract.

15. Variations of an average price for one square meter of a dwelling room, rental payment rates or the market value of single-flat dwelling houses or flats similar to a single-flat dwelling house or a flat comprising the leased asset as well as other factors and circumstances not affecting the amount of costs (expenses) related to the conclusion and implementation of the dwelling room lease contract effectively incurred by the Lessor shall not result in rising the amounts of lease payments and (or) the value of the leased asset stipulated by the dwelling room lease contract.

The provisions of the dwelling room lease contract that, if applied, result in rising the amounts of lease payments and (or) the value of the leased asset due to the circumstances stipulated in the first part of this Clause are null and void.

16. The Lessee's liabilities in terms of lease payments must be specified in Belarusian Rubles. If the duty to make lease payments in Belarusian Rubles is set forth in the dwelling room lease contract with the amount of payment equivalent to the specified amount in foreign currency, the payable amount of the lease payment or the redemption value of the leased asset shall be calculated according to the official rate of the Belarusian Ruble versus the foreign currency as set by the National Bank as of the date of payment.

17. In case of redemption, by the Lessee, of the leased asset comprised by a single-flat dwelling house or a flat in a terraced dwelling house separated from other dwelling rooms by a vertical wall and located directly on the land plot, the right to the land plot arise for the Lessee in accordance with the procedure set forth by the land protection and use legislation.

18. If the dwelling room lease contract providing for the leased asset redemption is terminated early upon the parties' consent or by the court upon the Lessor's demand resulting from the major breach of the dwelling room lease contract by the Lessee, the amounts of lease payments already paid as of the date of termination of the dwelling room lease contract shall not be returned to the Lessee fully or partially unless otherwise is stipulated by Clause 24 of this Regulation or by the dwelling room lease contract.

19. If the dwelling room lease contract is terminated early by the court upon the Lessee's demand, the latter shall have a right to return a single-flat dwelling house or a flat comprising the leased asset and, irrespective of the leased asset value compensated as a part of lease payments already made, to demand the settlements between the Lessor and the Lessee in accordance with the procedure specified in Clause 24 of this Regulation, or to redeem early a single-flat dwelling house or a flat comprising the leased asset. The Lessee shall also have a right to demand compensation of losses related to termination of the dwelling room lease contract as a result of the Lessor's failure to fulfill (or improper fulfillment of) its obligations in accordance with the dwelling room lease contract.

20. If the Lessee fails to fulfill (or fulfills improperly) its duties provided for by the dwelling room lease contract less than three times, this cannot be a reason for amending or early termination of the dwelling room lease contract upon the Lessor's demand except for the reasons provided for by the Civil Code of the Republic of Belarus or other legislative acts.

If the dwelling room lease contract is terminated upon the Lessor's demand as stipulated in the first part of this Clause, the Lessor must send an appropriate written warning letter to the Lessee, with the reasons for the contract termination listed in it, one month before raising the demand for the contract termination.

The demand for the dwelling room lease contract termination may be filed to the court only upon the end of the period specified in the second part of this Clause if the Lessee refuses to terminate the contract or if no answer to the written warning letter is received from the Lessee.

21. If the competent authority makes a decision to declare a single-flat dwelling house or a flat comprising the leased asset not meeting the sanitary and technical requirements set forth for residence, this single-flat dwelling house or a flat must be returned to the Lessor, upon its written demand with the reasons for the leased asset return listed in it.

If incompliance of a single-flat dwelling house or a flat comprising the leased asset results from the Lessee's failure to fulfill (or improper fulfillment of) its obligations in accordance with the dwelling room lease contract and this inconsistency can be fixed, the Lessee must, at its own expense, restore the single-flat dwelling house or the flat to make it appropriate for usage as intended.

A single-flat dwelling house or a flat comprising the leased asset, returned to the Lessor in accordance with the first part of this Clause and restored for usage as intended, may be transferred to the Lessee for temporary possession and use in accordance with the dwelling room lease contract concluded previously. In such a case, the parties may, subject to their written agreement, stipulate that lease payment for the restoration period must be paid within the scope appropriate to compensate the Lessor's investment expenses taken into consideration in the leased asset value and the Lessor's other investment expenses payable as of this period.

The Lessee shall have a right to demand from the Lessor to provide, by virtue of a dwelling room tenancy contract in accordance with the dwelling legislation requirements, a single-flat dwelling house or a dwelling room for residence, during the period of restoration of a single-flat dwelling house or a flat comprising the leased asset, of the Lessee as well as his/her family members or former family members living together with him/her in a single-flat dwelling house or in a flat that must be restored. The Lessor must, within 7 business days after receiving such a demand, provide the Lessee with a single-flat dwelling house or a dwelling room, being in the Lessor's ownership, free (or released) as of the date of receiving the aforementioned demand, or inform the Lessee in writing that a single-flat dwelling house or a dwelling room cannot be provided to him/her because the Lessor has no free (or released) single-flat dwelling house or dwelling room being in the Lessor's ownership. The amount of payment for using a dwelling room in accordance with such a tenancy contract may not be higher than the basic rate of payment for using dwelling rooms being in commercial use set by the Council of Ministers of the Republic of Belarus.

The demand specified in the fourth part of this Clause may not be submitted to the Lessor if a single-flat dwelling house or a flat comprising the leased asset fails to meet the sanitary norms and technical requirements set forth for residence as a result of Lessee's failure to fulfill (or improper fulfillment of) its duties according to the dwelling room lease contract.

If a single-flat dwelling house or a flat comprising the leased asset returned to the Lessor in accordance with the first part of this Clause is reclassified as a non-dwelling room or subject to demolition in accordance with the procedure set forth by the legislation, the Lessee shall have a right, irrespective of the leased asset value compensated as a part of lease payments already made, to demand the settlements with the Lessor in accordance with the procedure specified in Clause 24 of this Regulation, or to demand the return of a part of lease payments equal to the amount of the leased asset value (adjusted for the consumer price index) effectively compensated by the Lessee as a part of lease payments already made, where this amount is calculated as a cumulative total for each month of the period of possession and use, by the Lessee, of a single-flat dwelling house or a flat comprising the leased asset, and also the Lessee shall have a right to demand compensation of losses related to termination of the dwelling room lease contract.

22. If a registered letter is received by the Lessor from a local executive and administrative authority with the copy of the decision (or the excerpt therefrom) informing about an upcoming seizure, for governmental needs, of a land plot being the location for a single-flat dwelling house comprising the leased asset or for a multi-flat or terraced dwelling house where a flat comprising the leased asset is located, the Lessor must, within 5 calendar days, inform the Lessee in writing about one right chosen by the Lessor as a property owner from the rights stipulated by Clauses 4 and 5 of the Edict of the President of the Republic of Belarus dated February 2, 2009, No.58, "On Some Measures for Protection of Proprietary Rights in Case of Seizure of Land Plots for Governmental Needs", in accordance with the procedure and conditions stipulated by this Edict.

If the right is chosen by the Lessor to obtain, as an own property, a flat with standard customer-related qualities, or if, in cases when the market value of the flat to be provided is less than the market value of a single-flat dwelling house or a flat and related buildings, structures and plantations that shall be demolished (or less than the shares in the right of common ownership for the respective real estate), monetary compensation is chosen, equal to the amount of this difference, or the right is chosen to build and (or) to obtain, as an own property, a dwelling house and related buildings, structures and plantations (or the shares in the right of common ownership for the respective real estate), equal to those to be demolished in terms of improvement and the total area, the Lessee shall have a right, irrespective of the leased asset value compensated as a part of lease payments already made, to demand the settlements with the Lessor in accordance with the procedure specified in Clause 24 of this Regulation, and to demand compensation of losses resulting from early return of a single-flat dwelling house or a flat comprising the leased asset.

If the right is chosen by the Lessor to relocate and restore a single-flat dwelling house to be demolished, comprising the leased asset, this single-flat dwelling house shall be returned to the Lessor and may be transferred to the Lessee for temporary possession and use, in accordance with the dwelling room lease contract concluded previously, upon the end of restoration according to the conditions agreed between the parties. In such a case, the parties may, subject to their written agreement, stipulate that lease payment for the restoration period must be paid within the scope appropriate to compensate the Lessor's investment expenses taken into consideration in the leased asset value and the Lessor's other investment expenses payable as of this period.

If the decision is made by the Lessor to choose the right to obtain a monetary compensation for a single-flat dwelling house or a flat to be demolished, comprising the leased asset, the Lessor shall use this monetary compensation to return to the Lessee a part of lease payments already made, equal to the amount of the leased asset value (adjusted for the consumer price index), where this amount is calculated as a cumulative total for each month of the period



of possession and use, by the Lessee, of a single-flat dwelling house or a flat comprising the leased asset, and also the Lessee shall have a right to demand compensation of losses related to termination of the dwelling room lease contract.

23. The procedure set forth by the sixth part of Clause 21 of this Regulation shall be also applied to the relations of parties to the dwelling room lease contract when the leased asset is returned to the Lessor in cases as follows:

provision, in accordance with the second part of Clause 4 of the Edict of the President of the Republic of Belarus dated December 16, 2013, No.563, "On Some Matters of Legal Regulation of Dwelling Relations", of monetary compensation to the Lessor in accordance with the decision of the local executive and administrative authority, if a multi-flat or terraced dwelling house, where a flat comprising the leased asset is located, has been found to be not meeting the sanitary and technical requirements set forth for residence, unfit for use or collapse-threatening as a result of natural or industrial emergencies, hostilities or terrorist attacks;

receiving of money in accordance with the fourth paragraph of the first part of Subclause 1.10, Clause 1 of the Edict of the President of the Republic of Belarus dated December 18, 2007, No.657, "On Some Matters of Reconstruction of Dwelling Houses", if dwelling and (or) non-dwelling rooms comprising the leased assets are reconstructed with the significant violation of quality or if the reconstruction of a dwelling house resulted in deterioration of quality of dwelling and (or) non-dwelling rooms built earlier;

payment of monetary compensation to the Lessor for forced seizure of a single-flat dwelling house or a flat comprising the leased asset, from the Lessor, in cases stipulated by legislative acts.

24. If the dwelling room lease contract providing for the leased asset redemption is terminated, and the leased asset is returned to the Lessor, then, if at least 50 per cent of the leased asset value was compensated as a part of lease payments already made by the Lessee, the settlements between the lessee and the Lessor shall be carried out in accordance with the procedure as follows:

as of the date of return of a single-flat dwelling house or a flat comprising the leased asset to the Lessor, the market value of the returned single-flat dwelling house or flat shall be calculated, based on the assessment of the current condition of this property and taking into consideration the current prices at the real estate market for similar (comparable) facilities. The market value of the returned single-flat dwelling house or flat may be calculated, subject to the agreement between the parties, by way of the internal or independent assessment carried out in accordance with the procedure set forth by the legislation. The duty of payment for services within the scope of implementation of the independent assessment shall be borne by the party whose failure to fulfill (or improper fulfillment of) its obligations in accordance with the dwelling room lease contract became a background for the dwelling room lease contract termination; alternatively, this duty may be fulfilled by the parties in accordance with the procedure agreed between them;

the Lessor, within 30 business days from the day when the Lessee and other persons living together with him/her in a single-flat dwelling house or a flat that comprised the leased asset left this single-flat dwelling house or flat (unless another period is stipulated subject to the agreement between the parties), must compensate the Lessee for the amount calculated as the market value of the leased asset minus the Lessor's investment expenses taken into consideration for calculation of the leased asset value in the dwelling room lease contract but not compensated as a part of lease payments including those paid in advance;

compensation, by the Lessor to the Lessee, of the amount in accordance with the third paragraph of this Clause shall be without prejudice to the parties' rights to demand, in accordance with the procedure set forth by the legislation, payment of the forfeit (if the forfeit payment is stipulated in the dwelling room lease contract) and compensation of real damages

resulting from breach of obligations, as provided for in the dwelling room lease contract, by another party.

25. The Lessee, his/her family members and former family members living together with him/her in a single-flat dwelling house or a flat comprising the leased asset shall be evicted by way of a judicial procedure, with no provision of other dwelling room, upon the demand of the Lessor or other interested entities in case of termination of the dwelling room lease contract, in other cases stipulated by this Regulation and in cases stipulated by other legislative acts for eviction of persons.

If there is no Lessee's indebtedness according to the dwelling room lease contract when this contract is terminated at the end of its validity period, the natural person that was a Lessee in accordance with this contract as well as other capable persons that lived with him/her shall have a preferential right to purchase from the leasing organization, with the right of ownership, a single-flat dwelling house or a flat that comprised the leased asset and were returned to the Lessor or to obtain this single-flat dwelling house or flat for possession and use by virtue of the dwelling room tenancy contract.

When the dwelling room lease contract is terminated at the end of its validity period, except for the case of redemption of the leased asset, if a natural person that was a Lessee or capable family members or former family members who lived together with him/her, within 10 business days, have not expressed an intention to exercise a right stipulated in the second part of this Clause, then the natural person that was a Lessee and other persons who lived together with him/her in a single-flat dwelling house or a flat that comprised the leased asset must leave this single-flat dwelling house or flat within 30 calendar days after the dwelling room lease contract termination.

In case of failure to fulfill the duty stipulated in the third part of this Clause, the aforementioned persons, upon the demand submitted by the owner of a single-flat dwelling house or a flat that comprised the leased asset shall be evicted by way of a judicial procedure, with no provision of other dwelling room.

26. The Lessee's family member listed in the dwelling room lease contract shall have a right, subject to the written consent of the Lessee and other adult family members living together with the Lessee, to submit a written demand to the Lessor for recognition of this family member as the Lessee, instead of the initial Lessee, under the dwelling room lease contract concluded earlier.

If a person being the Lessee has been declared by a court to be a missing person, then each Lessee's family member listed in the dwelling room lease contract shall have a right stipulated in the first part of this Clause, subject to the written consent of other adult family members who lived together with the Lessee.

The person's demand for recognition of this person as the Lessee under the dwelling room lease contract instead of the initial Lessee in accordance with the first and second part of this Clause may be submitted to a court only if the Lessee has refused in writing to comply with this demand or if no answer was received from the Lessee within the period specified in the relevant written demand or, if this period is not determined, within 30 days from the date when the written demand was sent.

The dwelling room lease contract shall be terminated if a person being the Lessee is declared missing by the court and his/her family members listed in the dwelling room lease contract do not remain to live in a single-flat dwelling house or a flat comprising the leased asset, or if a person being the dwelling room Lessee dies or is declared dead by the court and there are no heirs or they debar from the inheritance, fail to accept the inheritance or reject it.

If a person being the Lessee dies or is declared dead by the court, the rights and duties under the dwelling room lease contract that belong to the testator as of the date of inheritance

commencement shall be inherited in accordance with the procedure provided for by the civil legislation.

27. If the decision to liquidate the Lessor is made by the property owner, by the Lessor's authorized body, by the economic court of a region (or the city of Minsk) or by the registering authority, the head of the liquidation commission (the liquidator) must, within 3 business days after making such a decision, inform the Lessor in writing about the commencement of the liquidation process.

If the Lessor's economic insolvency (bankruptcy) procedure is initiated by a court, the bankruptcy commissioner must, within 3 business days after the economic insolvency (bankruptcy) procedure initiation against the Lessor, inform the Lessor in writing.

If cases occur as described in the first and second part of this Clause, the Lessee may, at own discretion:

redeem early a single-flat dwelling house or a flat comprising the leased asset within the period agreed between the parties before the end of the liquidation or economic insolvency (bankruptcy) procedure (if the dwelling room lease contract provides for the leased asset redemption);

return early a single-flat dwelling house or a flat comprising the leased asset to the Lessor undergoing the liquidation or economic insolvency (bankruptcy) procedure, in accordance with the procedure and within the period agreed between the parties. Here, the Lessee shall have a right, irrespective of the leased asset value compensated as a part of lease payments already made, to demand the settlements with the Lessor in accordance with the procedure specified in Clause 24 of this Regulation. In such a case, the amount stipulated in the third paragraph of Clause 24 of this Regulation shall be paid to the Lessee in accordance with the priority of creditors as set forth by the legislation.

If a single-flat dwelling house or a flat comprising the leased asset is alienated for the purpose of satisfaction of creditors' claims or transferred to the Lessor's property owner (or founders, or participants) in accordance with the procedure set forth by the legislation, this property is encumbered by the Lessee's rights in terms of possession and use of a single-flat dwelling house or a flat comprising the leased asset and all the Lessor's rights and duties provided for by the dwelling room lease contract are transferred to the aforementioned entity.

28. The property comprising the leased asset under the dwelling room lease contract may be the mortgaged property only to secure the fulfillment of Lessor's obligations under the loan contract signed for the purpose of repayment of the leased asset value.

29. If the reasons arise to levy execution, in accordance with the procedure and in cases set forth by the legislation, upon a single-flat dwelling house or a flat comprising the leased asset under the dwelling room lease contract with the leased asset redemption provided for by this contract:

the Lessee may redeem early a single-flat dwelling house or a flat comprising the leased asset within the period agreed with the Lessor;

the dwelling room lease contract may be terminated upon the Lessee's demand in accordance with the procedure set forth by the legislation. In such a case, the Lessee and other persons living together with him/her in a single-flat dwelling house or a flat that comprised the leased asset must leave this single-flat dwelling house or flat within 30 calendar days after the dwelling room lease contract termination.

The Lessor must inform the Lessee in writing within ten days about the reasons arising to levy execution, in accordance with the procedure and in cases set forth by the legislation, upon a single-flat dwelling house or a flat comprising the leased asset under the dwelling room lease contract, if the dwelling room lease contract provides for the leased asset redemption.

If the dwelling room lease contract, with the provision for the leased asset redemption, is terminated due to the forced seizure of the leased asset in other cases provided for by the legislation, the leased asset shall be returned to the Lessor.

In cases specified in the first and third part of this Clause, the Lessee shall have a right, irrespective of the leased asset value compensated as a part of lease payments already made, to demand the settlements with the Lessor in accordance with the procedure specified in Clause 24 of this Regulation, and to demand compensation of losses resulting from early termination of the dwelling room lease contract. For the period of calculation of the market value of a single-flat dwelling house or a flat comprising the leased asset, in accordance with the second paragraph of Clause 24 of this Regulation, the forced seizure of the single-flat dwelling house or the flat shall be suspended for the period not longer than 2 months.

If the Lessor's right of ownership for a single-flat dwelling house or a flat comprising the leased asset is terminated during the period of validity of the dwelling room lease contract in a case stipulated in the first part of this Clause, the Lessor's rights and duties under the dwelling room lease contract shall be transferred to the new owner.

30. If the right of ownership for a single-flat dwelling house or a flat comprising the leased asset is transferred to the Lessee due to the fulfillment of obligations by the Lessee in full under the dwelling room lease contract with the provision for the leased asset redemption and under other contracts signed to secure the fulfillment of obligations by the Lessee under the aforementioned contract, the mortgage of property comprising the leased asset under the dwelling room lease contract shall be terminated.