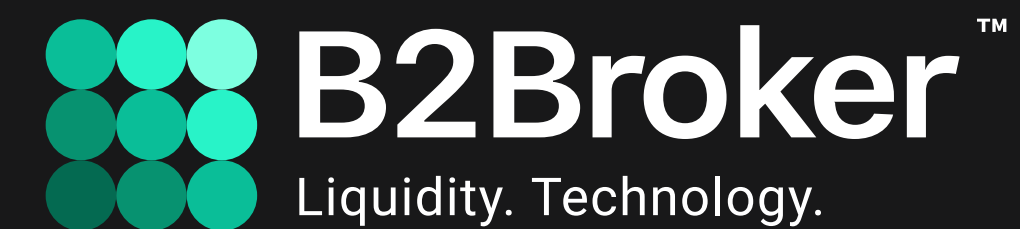


Belarus:

A Unique FOREX Jurisdiction

Dzmitry Kazak



About B2Broker

Prime of Prime Liquidity Provider

350

institutional clients

185

employees

18

turnkey solutions

13

languages

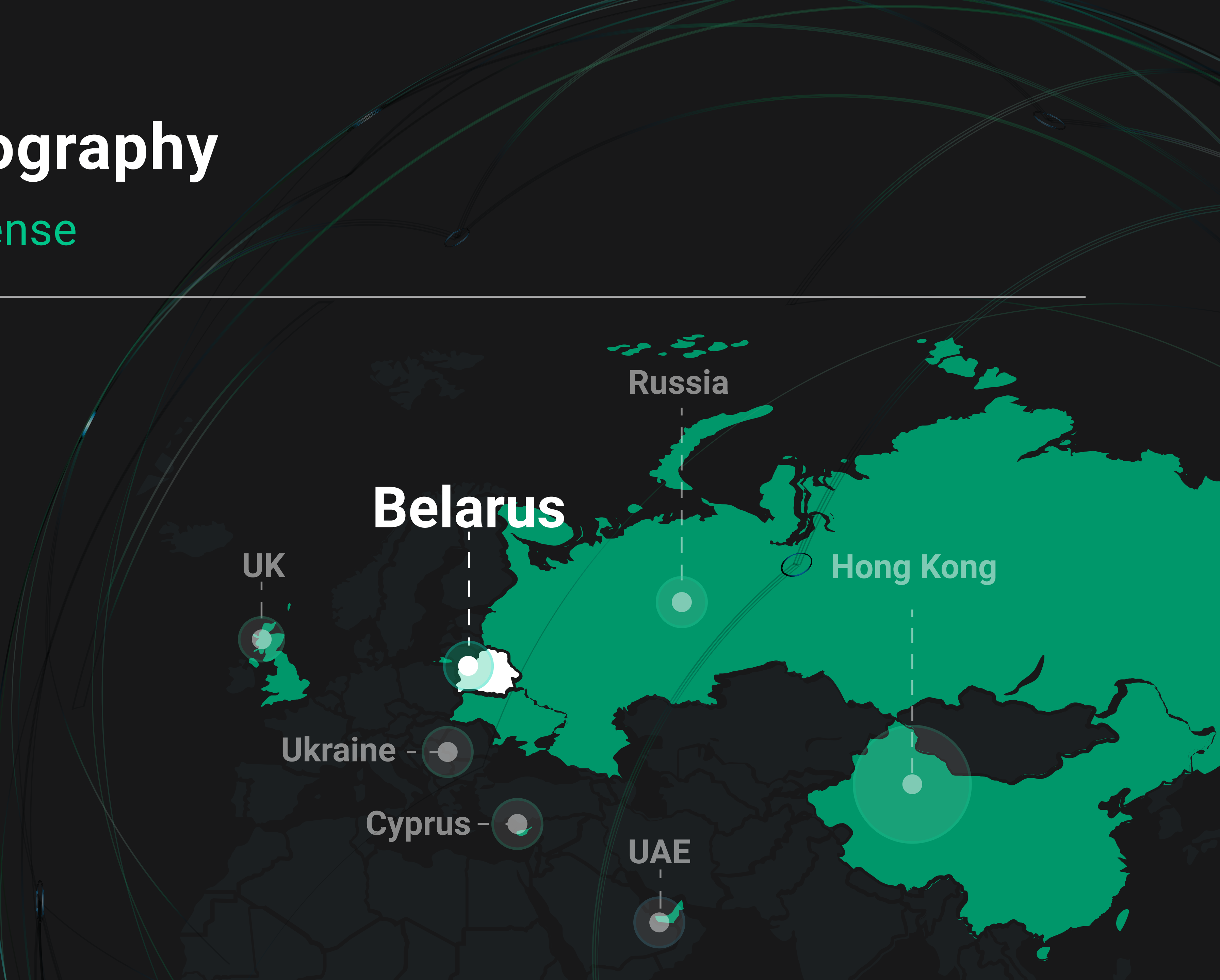
5

licenses

B2Broker geography

Belarus FOREX license

Would you like to do business in a fully FATF compliant, regulated and transparent environment? And invest several times less than what it would cost you in Europe?



B2Broker Ecosystem

Our products and companies



Registration of a legal entity

in the Republic of Belarus and opening a bank account



1-2

working days

after documents submission

Submit documents to register a legal entity
Personal or online submission

Open a bank account
During the registration of a legal entity

Get your certificate of state registration
the next day

Application for a FOREX license

will be considered by the National Bank **within 30 working days**

Apply for inclusion in the FOREX register

Submit supporting documents:

The charter of the legal entity

Confirmation of the created statutory capital

200,000 Belarusian rubles (~ 75,000 USD)

Confirmation of employment record

for the director and the internal control personnel

Confirmation of business reputation
for the share holder of the legal entity

Confirmation of professional qualification and
business reputation:

– for the director

– for the internal control personnel

Creation of a guarantee fund for a FOREX company

55,000 USD

registration fee

should be transferred within

3 working
days

from the date of issuance of your certificate of
inclusion in the register of FOREX companies

Guarantee fund

formed by the National FOREX Center

Reporting and accountancy 1/2

Quarterly & annually

Reports to the National Bank about several performance indicators of the company

Weekly & monthly

Reports to the National FOREX Center about:

company's financial stability

all transactions with non-deliverable
OVER-THE-COUNTER (OTC) financial instruments

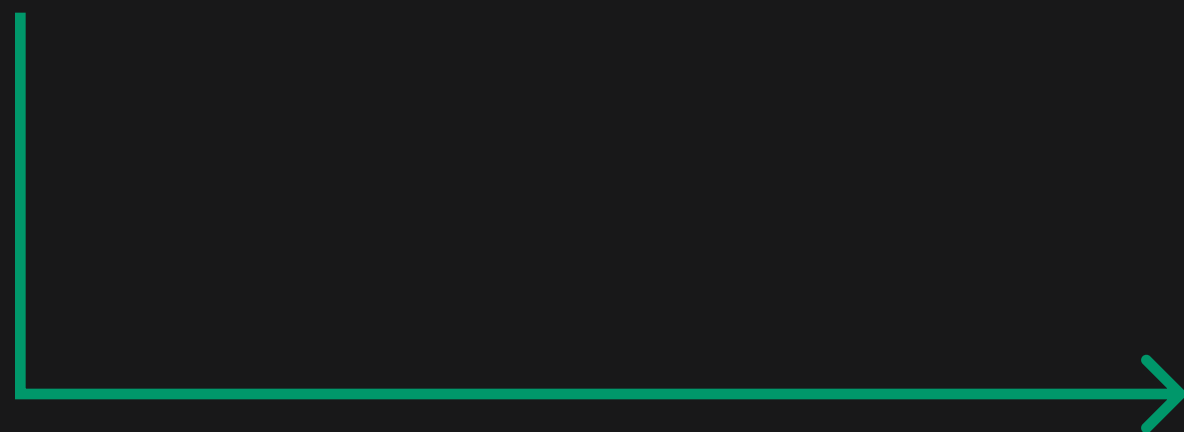
all transactions with clients' funds.

Reporting and accountancy 2/2

The company signs an agreement

to receive services from the National FOREX Center

2,521 Belarusian rubles (~ 1,000 USD) monthly



Registers an account

in the electronic document management system

to submit reports electronically

Verification of the FOREX company's trading software

The software check includes:



Development of the test program and methodology together with the applicant

Testing together with the applicant of a sample of software tools for compliance with the established requirements

Verification of the FOREX company's trading software

30 working days

The term of the software verification doesn't exceed 30 working days from the date of conclusion of the agreement for verification.

~ 4,200 USD

Verification cost is a one-time fee (10,770 Belarusian rubles)

Client Onboarding

After a client's marginal collateral is received by the FOREX company it is mandatory to transfer:

5% of the total amount
of margin collateral

**Received from the clients
to the guarantee fund**

formed by the National FOREX Center
as weekly contribution calculated
as of the last working day of the week

25% of the total amount
of margin collateral

**Received from a non-resident client
(50% for a resident client) to two
special bank accounts**

owned and operated by the FOREX company,
opened in at least two banks of the Republic of Belarus.
Such a transfer must be completed at the same day
as the FOREX company received funds from a client
or at the earliest possible time.

Client Onboarding

For example, a non-resident client makes a deposit to the FOREX company.

The amount of the deposit is 1,000 US Dollars:

250 USD


should be transferred to two special bank accounts (25%)

50 USD

should be transferred to the guarantee fund (5%)

30% of clients' funds received by the FOREX company can't be used in operations

What about risk management?



STP A Belarusian FOREX license is ideal for a Straight Through Processing (STP) strategy although different risk management strategies are possible.

A FOREX Company is allowed to hedge clients' positions in the parent company.

The Risk limit for a FOREX Company is set by law as **the maximum ratio**

of the total open position of clients (the sum of open positions of clients) **for a particular basic asset**

and **the equity capital of the FOREX Company**

Comparison with an unregulated jurisdiction

Comparison of jurisdictions	Belarus	Unregulated / Offshore jurisdiction
Reputable Regulator	+	—
Fully FATF compliant	+	—
Transparency	+	—
Client protection: Transactions monitoring, Legal protection, Guarantee fund	+	—
Bank account	+	+ / —
Bank transfers from clients across the world	+	—
No income tax (avoidance of double taxation)	+	—

Comparison with a regulated jurisdiction

Comparison of jurisdictions	Belarus	Cyprus	UK
Single Regulator	National Bank	CySEC	FCA
Estimated time to get approval from Regulator	1 month	6-9 months	6-12 months
Minimum paid-up statutory capital	75,000 USD	730,000 /125,000 EUR	730,000 /125,000 EUR
Government Fee /Application filing fee	—	7,000 EUR	25,000 / 5,000 £
Local physical office requirement	+	+	+
Staff requirement	<ul style="list-style-type: none"> • Director; • Head of internal control (compliance, AML, risk management); • Accountant. 	<ul style="list-style-type: none"> • 2 Executive Directors + 2 Non-Executive Directors; • Compliance, AML, Risk manager; • Head of departments: Dealing Room, Sales, Back office, Dealing on own account, Accounting; • Internal and External Auditor. 	<ul style="list-style-type: none"> • Director; • Compliance, MLRO, Risk manager; • Dealing department; Accountant; • Internal and External Auditor.
Estimated monthly operational expenses	7,000 USD	25,000 EUR	30,000 EUR
Corporation tax	25%	12.5%	19%
Income tax for traders	—	20%	20%
Regulated Guarantee fund	+	—	—

Belarusian FOREX Jurisdiction: Perspectives

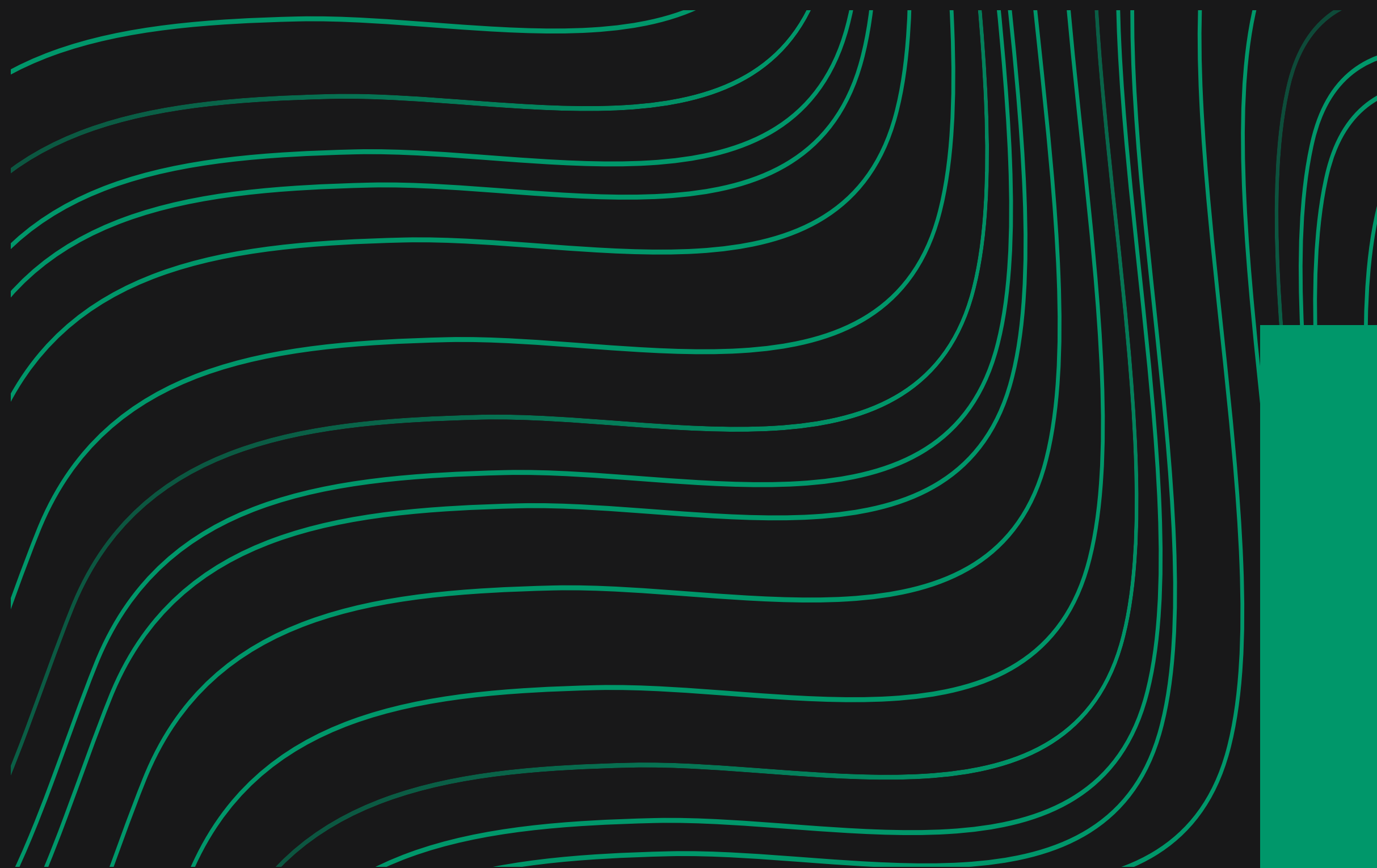
Expansion of the allowed basic assets

So the various crypto-instruments will be allowed in accordance with the best international practices

Changes in the risk limit calculation

which uses the amount of open position with leverage. Usage of real margin funds amount here will improve risk management strategies

Thank you!



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