

2016/2017



Developing solutions



Investment Guide
Republic of Moldova

Developing solutions

„There are great challenges ahead for the small landlocked country of Moldova, surrounded by Romania and Ukraine. The investment-friendly climate, free trade zones and the signing of an Association Agreement with the EU will serve to attract investors. Together with you we develop business concepts to ensure a sustainable local market entrance and position. Comprehensively and from a single source.“

Rödl & Partner

„We are often faced with tricky tasks. The annual competitions drive all teams to peak performance. To achieve this, our towers must always be more spectacular, an arduous process that requires the passion and dedication of every individual. Almost always, we are able to overcome this challenge together as a team – something we can be very proud of!“

Castellers de Barcelona



Investment Guide

Republic of Moldova

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About us

As attorneys, tax advisers, management and IT consultants and auditors, we are present in 111 own locations in 51 countries. Worldwide, our clients trust our 4,700 colleagues.

The history of Rödl & Partner goes back to its foundation as a solo practice in 1977 in Nuremberg. Our aspiration to be on hand wherever our internationally-active clients are led to the establishment of our first, own offices, commencing with Central and Eastern Europe in 1989. Alongside market entry in Asia in 1994, the opening of offices in further strategic locations followed, in Western and Northern Europe in 1998, USA in 2000, South America in 2005 and Africa in 2008.

Our success has always been based on the success of our German clients: Rödl & Partner is always there where its clients see the potential for their business engagement. Rather than create an artificial network of franchises or affiliates, we have chosen to set up our own offices and rely on close, multidisciplinary and cross-border collaboration among our colleagues. As a result, Rödl & Partner stands for international expertise from a single source.

Our conviction is driven by our entrepreneurial spirit that we share with many, but especially German family-owned companies. They appreciate personal service and value an advisor they see eye to eye with.

Our 'one face to the client' approach sets us apart from the rest. Our clients have a designated contact person who ensures that the complete range of Rödl & Partner services is optimally employed to the client's benefit. The 'caretaker' is always close at hand; they identify the client's needs and points to be resolved. The 'caretaker' is naturally also the main contact person in critical situations.

We also stand out through our corporate philosophy and client care, which is based on mutual trust and long-term orientation. We rely on renowned specialists who think in an interdisciplinary manner, since the needs and projects of our clients cannot be separated into individual professional disciplines. Our one-stop-shop concept is based on a balance of expertise across the individual service lines, combining them seamlessly in multidisciplinary teams.

What sets us apart

Rödl & Partner is not a collection of accountants, auditors, attorneys, management and tax consultants working in parallel. We work together, closely interlinked across all service lines. We think from a market perspective, from a client's perspective, where a project team possesses all the capabilities to be successful and to realise the client's goals.

Our interdisciplinary approach is not unique, nor is our global reach or our particularly strong presence among family businesses. It is the combination that cannot be found anywhere else – a firm that is devoted to comprehensively supporting German businesses, wherever in the world they might be.

Rödl & Partner in Moldova

The Republic of Moldova is on the upswing. After gaining its sovereignty, this country has been consequently moving towards free market economy under the influence of international agencies.

Its economy is characterized with continuous growth. In Doing Business Ranking 2017, the Republic of Moldova ranks 44 among 190 countries. A corporate income tax rate of 12 percent and low location costs make Moldova an attractive and competitive state in Europe.

In 2014 Moldova signed with the EU the Association Agreement, which became fully effective on 1 July 2016. International markets opened for Moldovan products after signing of that Agreement. It has been agreed within the framework of that Agreement to establish a Deep and Comprehensive Free Trade Area (DCFTA). This free trade area and phased-in harmonization of Moldovan laws and regulations with those of the EU will enable Moldova to establish closer links with the local market of the EU. Furthermore, investors can enjoy enormous advantages from making use of any of the seven existing free trade zones and two areas with a similar status. A location within any of these entitles to considerable tax exemptions, such as income tax exemption by 25 to 100 percent, full exemption from VAT on imports as well as substantial customs duty reliefs for goods imported for procession and for exports of finished products.

In particular, the agribusiness sector and IT and communications technologies are a major source of opportunity. The number of businesses operating in these segments more than doubled during the last decade. Business process outsourcing (incl. supply of automotive components) should also be pointed out as a major driver in this context – directly owing to the high level of training of the local labour and low labour costs in Moldova.

In the long-term perspective, economic growth depends on being able to successfully combat corruption, to reduce red tape and to solve the conflict in Transnistria. The Republic of Moldova is in urgent need of improving the civil infrastructure; at the same time that will create even better opportunities for German businesses and contribute to making this country an interesting location – first of all, for businesses operating in wage-intensive industries.

Rödl & Partner recognised this trend early and, since 2006, has been offering from its Chisinau Office auditing, legal and tax advisory, accounting and business process outsourcing services (in particular handling of labour-intensive business processes in finance and accounting).

Our professionals speak German, Romanian, Russian and English. Our advisory services are targeted primarily at medium-sized European companies investing in Moldova, for example, into joint ventures and company acquisitions, to support them during establishment of local presence or cross-border trade. Our in-depth knowledge of specific features and business practices inherent to this country can become a decisive contribution to the sustainable success of our clients.

Our services

Legal Advisory

- › Corporate law
- › Joint Ventures
- › M&A (mergers and acquisitions)
- › Due Diligence
- › Mergers, spinoffs, reorganizations/transformations
- › Establishment of subsidiaries, representative and branch offices
- › Trade, commercial and customs law
- › Franchising
- › Public-Private Partnerships (PPP)
- › Concessions
- › Concession agreements and state procurements
- › Intellectual property protection: Patents, trademarks, copyright, know-how and licenses
- › Special economic zones, investment contracts
- › Strategic industries, foreign investment law
- › Competition and anti-trust law
- › Labour and migration law
- › Employee secondments
- › Litigation and arbitration procedure law
- › Criminal law on companies
- › Liquidation proceedings and insolvency law
- › Securities and capital market law, IPO
- › Real estate and construction law, production settlements (Greenfield/Brownfield), environmental legislation
- › Mortgages and right of lien

Tax, banking and financial law

Tax optimization / International tax law

- › Tax focused project management
- › Tax structuring/optimized company and concern structuring
- › International real estate funds
- › Tax Due Diligence
- › Tax advice on M&A transactions
- › Corporate transformation related tax law

Ongoing tax consulting

- › Real property acquisition related tax advice
- › Financing related tax advice
- › Taxation of permanent establishments
- › Support during tax audits
- › Tax administrative procedure and tax litigation law
- › Transfer pricing
- › Tax advice in connection with taxation of non-profit organizations

Banking and financial law

- › Financial leasing, structuring of leasing products, including cross-border leasing
- › Banking supervision law
- › Tax-induced structuring of financing projects
- › International trade financing
- › Insurance and supervision

Audit

- › Obligatory and initiative audit with respect to annual reports of business companies partnerships in accordance with Moldovan and German standards as well as with IFRS/IAS and US GAAP
- › Statutory and voluntary special audits
- › Financial Due Diligence
- › Business valuations
- › Audits of IT systems
- › Support during implementation of new accounting systems
- › Transition to international accounting standards (IFRS and US GAAP)

Business Process Outsourcing

Outsourced accounting

- › Ongoing financial accounting: Accounts and financial statements according to local GAAP, Reporting, payment transactions, document management
- › Payroll accounting: HR management, tax returns and social security reports, monitoring of personnel qualification and talent audit
- › Preparing annual financial statements in accordance with International Accounting Standards (IAS)
- › Special-purpose balance sheet, interim balance sheet, consolidated financial statements

Internal accounting

- › Controlling and Management Information Systems
- › Ongoing internal reporting, outsourcing of the internal auditing function
- › Budget planning and control, financial analyses

Translation services

- › Translation and interpreting (English, German, Romanian and Russian in any combination)
- › Coordination of translation projects

General overview

Official name	Republic of Moldova (Republica Moldova)
Location	Moldova is located in South Eastern Europe, north of the Balkan Peninsula, and shares borders with Romania, to the west, and Ukraine, to the north, east and south.
Land area	33,843 square km
Administrative territory division	Moldova has 1,681 localities, divided into 32 districts (raioane), 5 municipalities (municipii), 60 cities and 917 villages. The largest Moldovan cities are Chişinău (the capital of Moldova) and Balti.
Government	Moldova is a parliamentary republic. The Parliament, consisting of 101 deputies elected by popular vote for four years, is the supreme legislative body. The head of the state is the President, who is elected by the Parliament for a four years term. The head of the Government is the Prime Minister, appointed by the President. The composition of the Government is assembled by the Prime Minister and is subject to the parliamentary approval.
Population and ethnic groups	About 2,9 million (without the transnistrian region); Moldovans/ Romanians are the largest ethnic group, representing 82.1 % Ukrainians represent 6.4 %, Russians 4.1 %, Gagauz 4.6 % and Bulgarian 1.9 %.

Official language	Moldovan language; Russian language does not have it the status of official language in the region, although it is frequently used.
Religion	93.3 % of population are representatives of Christian Orthodox Religion.
Currency	Moldovan Leu („MDL“) ¹ divided into 100 bani
Moldova's membership to international organizations	<ul style="list-style-type: none"> › Member of the United Nations and a number of its specialized agencies (UN High Commissioner for Refugees, International Labor Organization, UNESCO, World Health Organization, International Bank for Reconstruction and Development and International Monetary Fund) › Member of the Council of Europe › Member of the Organization for Security and Co-operation in Europe, and the Central European Initiative › Full member of the International Organization for Migration › Member of the World Trade Organization › Member of the European Bank for Reconstruction and Development › Member of the Economic Commission for Europe, and the Black Sea Economic Co-operation › Participates in the NATO Partnership for Peace program › Member of the Commonwealth of Independent States

¹ As of 13 April, 2017, EUR 1 = MDL 20,52.

Investment climate

Since the independence of Moldova was proclaimed in 1991, one of the primary tasks of the Moldovan Government was to attract investments and create a favorable business climate for all investors. Moldova undertakes to ensure the inviolability of foreign investments and to establish coordinated policies and well balanced legislation in order to stimulate both local and foreign investments.

<p>Laws to consider</p>	<p>Law on Investment in Entrepreneurial Activity No 81-XV dated 18.3.2004</p>
<p>Foreign investments guarantees</p>	<p>Freedom of Investments:</p> <ul style="list-style-type: none"> › Investors may locate their investments in any part of Moldova, in any area of business activity. › There are no restrictions to foreign capital participation in Moldovan companies, or on the amount of capital that can be invested. <p>Non-discrimination of Investments:</p> <ul style="list-style-type: none"> › Local and foreign investors have equal rights, and there is no discrimination on the basis of citizenship, home, residency, and place of business registration, state of origin of the investor or investment. › Investors are guaranteed fair and equal treatment in running their businesses without discrimination that would hinder management, operation, maintenance, use, capitalization, acquisition, growth or disposal of investments.

	<p>Protection of Investments:</p> <ul style="list-style-type: none"> › Moldova provides full security and protection for all investments, regardless of type, following the provisions of international treaties to which Moldova is a party. › Moldovan public authorities have the obligation to respect the rights of investors regulated by law. › Moldovan public authorities shall be liable according to the law for infringement of investors' rights and for damages incurred. <p>Transparent Regulation of Investments</p> <ul style="list-style-type: none"> › Legal acts with direct or indirect impact over investments shall be publicly made available according to the law. › Investments policies shall be elaborated by Moldovan public authorities based on public consultation prior to the implementation of such policies. › Moldovan public authorities shall guarantee full access to the information of public interest, including but not limited to information on investments in Moldova. <p>Guarantees against Expropriation:</p> <ul style="list-style-type: none"> › Investments may not be expropriated, interrupted or suspended except when such measures are regulated by law.
<p>Restrictions to foreign investments</p>	<p>Foreign companies, as well as Moldovan companies with foreign investments, are not allowed to acquire agricultural and forested land.</p>

Main regulations of business activity in Moldova

Legal forms for business entities

The investor may select to incorporate a separate business entity to perform business activity in Moldova. Such business entity will be able to operate only if duly registered with Moldovan public authorities, and if created according to one of the incorporation forms regulated by Moldovan law.

Moldovan Civil Code regulates the following legal forms for incorporation of business entities:

- › Joint Stock Company ("JSC")
- › Limited Liability Company ("LLC")
- › General Partnership ("GP")
- › Limited Liability Partnership ("LLP")
- › Co-operative ("Coop")

According to the current statistics, the most popular form used by foreign investors when opening a business in Moldova is the LLC form, due to the simple and flexible registration, management and business conduct.

The JSC form is rarely used as its activity is strictly regulated and controlled by the state and financial market regulators. The JSC form is recommended when the number of shareholders exceeds 50. The JSC form is mandatory for banks, insurance companies, investment funds and professional participants on financial market.

The GP, LLP and Cooperatives represent less than 2 % of business entities registered in Moldova by local and foreign investors.

Joint Stock Company (“JSC”)

<p>Main laws to consider</p>	<ul style="list-style-type: none"> › Moldovan Civil Code No 1107-XV dated 6.6.2002 › Law on Joint Stock Companies No 1134-XIII dated 2.4.1997 › Law on Security Market No 199-XIV dated 18.11.1998 › Law on Capital Market No 171 dated 11.7.2012
<p>Name in local language</p>	<p>Societate pe actiuni</p>
<p>State registration authority</p>	<ul style="list-style-type: none"> › Moldovan State Registration Chamber registers the JSC › The National Commission for Financial Markets registers registers the stocks issued by the JSC upon creation
<p>Founder(s)</p>	<p>Moldovan and/or foreign individuals and/or legal entities</p>
<p>Number of founders/ shareholders</p>	<p>From 1 to unlimited</p>
<p>Share capital</p>	<p>The share capital of JSC is divided into shares held by the shareholder(s).</p> <p>As a rule, the minimum share capital provided by law for JSC is MDL 20,000, i.e. about EUR 974.</p> <p>For certain categories of JSC the law may require higher minimum capital (banck, insurance companies, etc.).</p>
<p>Capital contributions</p>	<p>The shareholders’ contributions for the payment of shares issued upon creation of JSC may be both cash and in-kind. The contributions to the share capital of JSC’s have to be transferred before registration, except for in-kind contributions, which have to be transferred to the company within one month of registration.</p>

<p>Reserve capital</p>	<p>A JSC is under obligation to maintain a statutory reserve equal to 10 % of its share capital. The reserve capital may be used to cover for losses or to increase the JSC's share capital. Reserve capital shall be formed by means of annual deductions from net profit until it reaches the amount envisioned in the Charter of the company. The amount of deductions shall be determined by the general shareholders meeting and shall equal no less than 5 % of net profit of the company.</p>
<p>Equity rules</p>	<p>If at the end of two consecutive financial years, the value of the JSC's net assets is less than its share capital, the JSC shall reduce its share capital or shareholders shall make additional contribution to increase the net assets' value or the JSC shall be liquidated or reorganized.</p> <p>If the value of the JSC's net assets is negative according to the last financial statement of JSC, the JSC will not be allowed to issue additional shares.</p>
<p>Issuance of securities</p>	<p>JSC may issue:</p> <ul style="list-style-type: none"> › ordinary shares › preferential shares: Confir preferential rights to their holders to the distribution of dividends. Preferential shares do not confir the rights to vote in General Meeting of Shareholders. The preferential shares cannot represent more than 25 % of the JSC share capital. › bonds: Confir preferential rights to their holders to receive a part of the JSC revenue in the form of interest or other profit. The holders of bonds are considered creditors of JSC.

<p>Transactions with shares and pre-emptive rights</p>	<p>Any shareholder is free to sell its shares held in JSC. Direct transactions on sell and purchase of shares in JSC are restricted.</p> <p>There is no shareholders pre-emptive right to purchase shares in a JSC. The shareholders, however, have a pre-emptive right for the shares additionally issued by JSC.</p> <p>JSC shares may be traded on regulated capital markets. The transfer of rights over shares is registered by the independent registrar of JSC.</p>
<p>Liability of shareholders</p>	<p>The shareholders' liability for the activity of JSC shall be limited to their shares in the JSC's capital.</p>
<p>Governing bodies</p>	<ul style="list-style-type: none"> > General Meeting of Shareholders (mandatory) > Board of Directors (mandatory if the number of shareholders exceeds 50) > Executive body (mandatory) > Auditor (mandatory)

<p>Obligation to publicly disclose information on company's activity</p>	<p>JSC will have the obligation to inform the public about their securities and financial activity in conformity with the law on Capital Market.</p> <p>Issuers who meet the criteria of an entity of public interest, thus entity that has particular relevance to the public due to the activity type, which is a financial institution, a collective investment undertaking in securities, an insurance company, a non-state pension fund, an undertaking of whose shares are quoted on the stock exchange, are required to publish:</p> <ul style="list-style-type: none"> › annual report of the issuer. Issuers are required to publish the Annual Report until April 30 and take the necessary measures for the report remaining available to the public for at least five years › half-yearly report of the issuer. Issuers are required to make public the half-yearly report for the first six months of each year, as soon as possible after the end of each semester, but no later than two months after the end of each semester › interim statements of the issuer › events affecting the issuer financial and economic activity › articles of incorporation of the issuer
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Investment firms

Investment services and activities concerning financial instrument, can be carried out only by:

- › investment firms based on the license issued by the National Commission for Financial Markets, thus a collective investment undertaking, with legal personality as a joint stock company, which issues and repurchases shares on the shareholder's requirement. There are 3 categories of the licenses of investment firm: license category A, B, C.
- › approved persons, based on the approval of the National Commission for Financial Markets, thus foreign legal persons which hold the authorization for carrying out investment services and activities granted by competent authorities of other states are considered to be accepted persons and do not need the license of investment firm, based on the agreements between such authorities and National Commission for Financial Markets. The accepted persons carry out their activities in Republic of Moldova through branches registered in Republic of Moldova.

Investment firms are entitled to carry out the following investment services and activities:

	<p>Category A license Authorizes investment firms to carry out following activities and services:</p> <ul style="list-style-type: none"> › reception and transmission of orders in relation to one or more financial instruments › execution of orders on financial instruments on behalf of clients › portfolio management › investment advice › advice to undertakings on capital structure, industrial strategy and related matters and services relating to mergers and the purchase of undertakings › investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments
	<p>Category B license Authorizes investment firms to carry out following activities and services:</p> <ul style="list-style-type: none"> › reception and transmission of orders in relation to one or more financial instruments › execution of orders on financial instruments on behalf of clients › portfolio management › investment advice › placing of financial instruments without a firm commitment basis › fiduciary administration of investments › advice to undertakings on capital structure, industrial strategy and related matters and services relating to mergers and the purchase of undertakings › foreign exchange operations where these are directly connected to the provision of investment services › investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

Category C license

Authorizes investment firms to carry out following activities and services:

- › reception and transmission of orders in relation to one or more financial instruments
- › execution of orders on financial instruments on behalf of clients
- › dealing on own account
- › portfolio management
- › investment advice
- › underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- › placing of financial instruments without a firm commitment basis
- › operation of MTF (multilateral trading facility).
- › fiduciary administration of investments
- › granting credits or loans to an client to allow him to carry out a transaction with one or more financial instruments, where the investment firm granting the credit or loan is involved in the transaction
- › advice to undertakings on capital structure, industrial strategy and related matters and services relating to mergers and the purchase of undertakings
- › foreign exchange operations where these are directly connected to the provision of investment services
- › investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments
- › services related to underwriting.

Limited Liability Company („LLC“)

<p>Main laws to consider</p>	<ul style="list-style-type: none"> › Moldovan Civil Code No 1107-XV dated 6.6.2002 › Law on Limited Liability Companies No 135 – XVI dated 14.6.2007
<p>Name in local language</p>	<p>Societate cu raspundere limitata</p>
<p>State registration authority</p>	<p>Moldovan State Registration Chamber</p>
<p>Founder(s)</p>	<p>Moldovan and/or foreign individuals and/or legal entities</p>
<p>Number of founders/ shareholders</p>	<p>From 1 to 50. When the number of shareholders exceeds 50 persons, the LLC shall be reorganized or liquidated.</p>
<p>Share capital</p>	<p>The share capital of an LLC is divided into participation stake(s) held by the shareholder(s).</p> <p>Starting from May 2014 there is no minimum share capital requirement in Moldova for the LLC.</p>
<p>Capital contributions</p>	<p>The shareholders’ contributions to the share capital of LLCs may be both cash and in-kind.</p> <p>If created by a Sole Shareholder and the share capital will be a payment in-kind (PIK), it shall be transferred to the LLC’s share capital within 30 days after the LLC’s registration.</p> <p>When there are more than one shareholder, the contribution of each shareholder shall be transferred within 6 months after the LLC’s registration.</p>

Reserve capital	A LLC is under obligation to maintain a statutory reserve equal to 10 % of its share capital. The reserve capital may be used to cover for losses or to increase the LLC's share capital.
Equity rules	<p>If at the end of the second financial year, and each following financial years, the value of the company's net assets is less than its share capital, and the shareholders of the company do not pay the incurred losses, then the company shall reduce its share capital up to the value of the company's net assets.</p> <p>If the value of the company's net assets is less than the minimum statutory requirements on share capital value, and the shareholders fail to pay incurred losses, the company shall be liquidated.</p>
Transactions with shares and pre-emptive rights	<p>Any shareholder is free to sell its stake held in an LLC.</p> <p>Other shareholders enjoy pre-empting rights over third parties in respect to purchase of stakes.</p> <p>Agreements on sale and purchase of stakes in an LLC shall be mandatorily notarized by a duly commissioned notary and registered with the Moldovan State Registration Chamber.</p>
Liability of shareholders	The shareholders' liability for the activity of LLC shall be limited to their contributions to the LLC's capital.
Governing bodies	<p>a) General Meeting of Shareholders (mandatory) b) Board of Directors (not mandatory) c) Executive body (mandatory) d) Auditor (not mandatory)</p> <p>The exact governing structure of the LLC shall be determined by the Shareholders in General Meeting, and shall be reflected into the Constitutive Act of the LLC.</p>

General Partnership („GP“)

Main laws to consider	Moldovan Civil Code No 1107-XV dated 6.6.2002
Name in local language	Societate in nume colectiv
State registration authority	Moldovan State Registration Chamber
Founder(s)	Moldovan and/or foreign individuals and/or legal entities
Number of founders / partners	From 2 to 20; When the number of shareholders exceeds 20 persons, the GP shall be reorganized or liquidated.
Share capital	No minimum capital requirements are regulated.
Capital contributions	<p>The partners' contributions to the capital of GP may be both cash and in-kind.</p> <p>The partners shall transfer their contributions in the period and manner regulated by the Constitutive Act of GP.</p>
Transactions with shares and pre-emptive rights	<p>Any partner may transfer the participation held in GP to other partners or to a third party only with the approval of the other partners.</p> <p>In order to transfer the participation, the prior approval of other partners is mandatory.</p> <p>No special form is regulated for the transfer of a participation in GP.</p>

Liability of shareholders	The partners are liable for the activity of GP with all their assets
Governing bodies	The law does not regulate a mandatory corporate structure of GP. Such structure shall be regulated by the Constitutive Act of GP.

Limited Liability Partnership („LLP“)

Main laws to consider	Moldovan Civil Code No 1107-XV dated 6.6.2002
Name in local language	Societate in comandita
State registration authority	Moldovan State Registration Chamber
Founder(s)	Moldovan and/or foreign individuals and/or legal entities
Number of founders/ partners	At least one general partner and one limited partner; The maximum number of members is not regulated by law.
Statutory capital	No minimum capital requirements are regulated.
Capital contributions	<p>The partners' contributions to the capital of LLP may be both cash and in-kind.</p> <p>The partners shall transfer their contributions in the period and manner regulated by the Constitutive Act of LLP.</p> <p>The general partners shall contribute to the capital in the period and manner regulated by the Constitutive Act of LLP.</p>

Transactions with shares and pre-emptive rights	Limited partners are free to sell their participation held in LLP. Other limited partners enjoy pre-empting rights over third parties in respect to purchase of participation. No special form is regulated for the transfer of a participation in LLP.
Liability of partners	<p>The general partners are liable for the activity of LLP with all their patrimony.</p> <p>The limited partners liability for the activity of LLP shall be limited to their participation in the LLP's capital.</p>
Governing bodies	The law does not regulate a mandatory structure of LLP. Such structure shall be regulated by the Constitutive Act of LLP.

Cooperatives („Coop“)

Main laws to consider	<ul style="list-style-type: none"> › Moldovan Civil Code No 1107-XV dated 6.6.2002 › Law on Entrepreneurs Co-operatives No 73-XV dated 12.4.2001 › Law on Co-operative for Production No 1007-XV dated 25.4.2002
Name in local language	Cooperativa
State registration authority	Moldovan State Registration Chamber

<p>Types of coops</p>	<p>Coops of production: Are created by its members in order to perform in common production activity, or other business activity, mainly based on their personal work.</p> <p>Coops of entrepreneur: The services and goods of Coops shall be delivered/performed mainly to its members. The goods and services acquired by Coop for its activity shall be acquired mainly from its members.</p>
<p>Founder(s)</p>	<p>Cooperative of production: Moldovan and/or foreign individuals of at least 16 years old; Moldovan and/or foreign legal entities may not create a cooperative of production.</p> <p>Cooperative of entrepreneur: Moldovan and/or foreign individuals of at least 16 years old and/or legal entities; Member of a cooperative of entrepreneurs may be only an individual/legal entity performing business activity.</p>
<p>Number of founders/ members</p>	<p>At least 5 members; The maximum number of members is not regulated by law.</p>
<p>Statutory capital</p>	<p>No minimum capital requirements are regulated.</p>
<p>Capital contributions</p>	<p>The members' contributions to the capital of a Coop may be both cash and in-kind. The member shall contribute to the capital of the Coop in the period and manner regulated by the Constitutive Act of the Coop. The share of a member in the capital of Coop may not exceed 20 % from its share capital.</p>

<p>Transactions with shares and pre-emptive rights</p>	<p>The members are free to sell their participation held in Coop. Other members enjoy pre-empting rights over third parties in respect to purchase of participation. No special form is regulated for the transfer of a participation in Coop.</p>
<p>Liability of members</p>	<p>The members` liability for the activity of Coop shall be limited to their participation in the Coop`s capital.</p>
<p>Governing bodies</p>	<ol style="list-style-type: none"> 1. General Meeting of Members (mandatory) 2. Board (mandatory if the number of members exceeds 50) 3. President (mandatory) 4. Auditing Comitee (mandatory)

Branches and Representative Offices

Foreign investors may consider to establish its branch or representative offices in Moldova, when they do not want to incorporate separate legal entities. The activity of a branch and a representative office will be subjected to some limitations, regulated by law.

Branch Office

Main laws to consider	<ul style="list-style-type: none"> › Moldovan Civil Code No 1107-XV dated 06.06.2002 › Law on Entrepreneurs and Entrepreneurial Activity No 845-XII dated 3.1.1992 › Law on Investment in Entrepreneurial Activity No 81-XV dated 18.3.2004
Name in local language	Filiala
State registration authority	Moldovan State Registration Chamber
Founder	Moldovan or foreign legal entity
Statutory capital	None
Limitation to business activity	The branch office shall be allowed to perform in whole or in part same business activity as performed by its founder.
Liability	The founder is fully liable for the activity of the branch office.
Governing bodies	The activity of the branch office is managed by a manager, appointed by the founder.
Legal status	The branch office of a foreign entity in Moldova has the status of a business entity.

Representative Office

Main laws to consider	<ul style="list-style-type: none"> › Moldovan Civil Code No 1107-XV dated 06.06.2002 › Law on Entrepreneurs and Entrepreneurial Activity No 845-XII dated 3.1.1992 › Law on Investment in Entrepreneurial Activity No 81-XV dated 18.3.2004
Name in local language	Reprezentanta
State registration authority	Moldovan State Registration Chamber
Founder	Moldovan or foreign legal entity
Statutory capital	None
Limitation to business activity	The representative office is not allowed to perform business activity.
Liability	The founder is fully liable for the activity of the representative office.
Governing bodies	The activity of the representative office is managed by a manager, appointed by the founder.
Legal status	The representative office of a foreign entity in Moldova is not considered a legal entity.

Registration, Licensing and Local Authorization

Moldovan law does not allow to perform business activity without a corresponding registration stated by the law. A business entity, branch or representative office is considered duly established in Moldova when it is included into the State Register of Legal Entities.

<p>Main laws to consider</p>	<ul style="list-style-type: none"> › Law on State Registration of Legal Entities and Individual Entrepreneurs No 220-XVI dated 19.10.2007 › Law on Licensing of Business Activity No 451-XV dated 30.7.2001 › Law on Regulation by Authorization of Business Activity No 160 dated 22.7.2011 › Law on Single Window Implementation for Business Activity No 161 dated 22.7.2011 › Law on Interior Trade No 231 dated 23.9.2010
<p>State registration authority</p>	<p>Moldovan State Registration Chamber (Camera Inregistrării de Stat): registers all business entities incorporated in Moldova</p>
<p>Person(s) entitled to apply for registration</p>	<p>Founders or duly authorized representative(s) of founders</p>
<p>Registration steps</p>	<ul style="list-style-type: none"> › Submission of documents for registration › Payment of registration fees › Opening of the temporary bank account in a Moldovan commercial bank and transfer of contributions to the capital › Registration of the newly created company in the State Register of Legal Entities

<p>Documents for registration</p>	<ul style="list-style-type: none"> › Foreign individuals shall submit their passport. › Foreign legal entities will be required to submit <ul style="list-style-type: none"> » an extract from the commercial registry of home jurisdiction, » copies of their constitutive acts. <p>Also, the applicant for registration shall submit information and documents regarding the name, future manager, business objects, and legal address of the future company.</p> <p>All documents obtained outside Moldova shall be correspondently legalized or apostiled. No apostil is necessary for documents issued in CIS countries and Romania.</p> <p>The documents issued in foreign languages shall be translated in Romanian and the translator’s signature shall be legalized by a duly commissioned notary.</p>
<p>Registration term</p>	<p>The ordinary registration procedure is 5 calendar days. The applicant may apply for urgent registration procedure. The shorter registration procedure is of 4 hours.</p>
<p>State fees for registration</p>	<p>Up to MDL 1,149 (about EUR 56) for ordinary registration procedure. The exact amount of the state fee for registration shall depend on the legal form selected for the future company. For urgent procedure the state fees shall be doubled.</p>
<p>Effective registration</p>	<p>A business entity is considered registered once it is issued with the certificate of registration and other corporate documents. Upon registration the business entity is attributed with a State Identification Number (“IDNO”). The IDNO is a numeric code, consisting of 13 numbers, attributed to all legal entities and individual entrepreneurs upon state registration and serves for their identification within informational system of the Republic of Moldova. The IDNO is also considered as tax code of the business entity.</p>

<p>Licensing</p>	<p>Certain business activities are subjected to a special license in order to be performed in Moldova. The exhaustive list of such business activities is strictly regulated by law. As of today there are 49 business activities requiring special license, including but not limited to auditing activity, construction of buildings and (or) engineering facilities and networks, reconstruction, strengthening, restoration; banking and currency exchange activities, insurance activity; activity of professional participants on security market, etc.</p> <p>For the most part of business activities the license is issued by the State Licensing Chamber (Camera Licentierii de Stat). For regulated market, such as banking, insurance, energy and communications the licenses are issued by the corresponded market regulators.</p> <p>The State Licensing Chamber issues and renews licenses by means of e-licensing services.</p>
<p>Local authority authorization</p>	<p>All business entities involved in commercial activity, including trade of goods, performance of works and rendering of services, are required to obtain an authorization from the local public authority. Such authorization shall be obtained prior to the start of the business activity and is issued within 20 calendar days.</p>
<p>Single window authorization</p>	<p>Single window authorization represents a mechanism allowing the entrepreneurs to file the documents for registration, licensing and authorization purposes through a single reception point. The single window mechanism is optional for entrepreneurs, with them having the right to use the traditional way of authorizing its business activity in Moldova.</p>

Prices Regulation

According to the general rule, business entities are allowed to freely determine the prices for their goods and services, based on fair competition. For certain goods the prices are regulated by Government decision (pharmaceuticals, dairy products, sugar, meat, bakery products, rice, cement etc.). For such goods the addition to price may not exceed 10 %, 20 %, 30 % or 40 %, depending on type of goods.

The Moldovan tax law provides several sources of information to determine the Market Price in the moment the transaction took place. Thus, the following sources shall be taken into account: (a) the statistical information provided by the state authorities which regulates the market pricing, (b) If no any statistical information related to the required transactions, it will be taken into account the information related to the prices of similar transactions published in the local mass media. (c) If such information can't be found in the local mass-media, it will be taken into account the official or published information of the transactions prices on the local exchange houses. The taxpayer is allowed to take into account other sources of information to determine the Market Price and consequently the tax authorities may accept the sources of information taken into account by the taxpayer if there are enough reasons to consider such sources of information to be truthful.

Under competition rules, in economic sectors where competition is restricted or doesn't exist, and in exceptional circumstances (such as crises, major fluctuation between supply and demand), the Government is entitled to impose and/or apply temporary measures in order to prevent or to stop excessive increase of prices.

The prices of public land and mineral resources, transport services, post services, precious metals, natural gas, heating and electrical energy have to be approved by the state.

Competition Rules

<p>Main laws and regulations to consider</p>	<ul style="list-style-type: none"> › Law on Competition No 183 dated 11.7.2012 › Regulation on the assessment of vertical anticompetitive agreements approved by the Decision of the Competition Council No 13 dated August 30, 2013 › Regulation on establishing the dominant position on the market and assessment of the abuse of dominant position, approved by the Decision of the Competition Council No 16 dated 30.8.2013 › Regulation on assessment of anticompetitive horizontal agreements, approved by the Decision of the Competition Council No 14 dated 30.8.2013 › Regulation on assessment of anticompetitive technology transfer agreements, approved by the Decision of the Competition Council No15 dated August 30, 2013 › Regulation on economic concentrations approved by the Decision of the Competition Council No 17 dated 30.8.2013 › Regulation on the acceptance of the commitments proposed by the enterprises, approved by the Decision of the Competition Council No2 dated January 22, 2015
<p>Competition authority</p>	<p>Competition Council (Consiliul Concurentei), restructured in 2012, formerly known as National Agency for Protection of Competition</p>

<p>State guarantees in the field of competition</p>	<ul style="list-style-type: none"> › Business entities have the right to a free competition within the limits established by law, traditions, rules of fairness and honesty in business activity. › Business entities are not allowed to limit the competition, to abuse their dominant position, and to damage the interests of consumers. › Public authorities have the obligation to contribute to the development and protection of fair competition. › Moldova protects the rights and interests of business entities and individuals against abuse of dominant position, anticompetitive agreements and unfair competition.
<p>Notifiable transactions</p>	<p>Mergers of undertakings if the total number of cumulative turnovers of the involved enterprises registered in the year before the operations exceeds MDL 25,000,000 (about EUR 1,218,323) and there are at least two enterprises which are involved in the operation, each having a total turnover on the territory of the Republic of Moldova of more than MDL 10,000,000 (about EUR 487,329) in the year before the operation.</p>
<p>Timing for notification</p>	<p>No mandatory timeline for notifications is established. The notification, however, shall be made prior to implementation of such operation.</p>
<p>Dominant position</p>	<p>The dominant position shall be determined by the Competition Council, and represents the position of economic power enjoyed by a business entity which enables it to prevent maintenance of effective competition on a relevant market allowing to this business entity individually or together with other business entities to act largely independently of its competitors, customers and consumers. It is presumed, until proved otherwise, that one or more enterprises hold dominant positions on a relevant market if the share or shares cumulated on the relevant market, registered in the analyzed period exceed 50 % or if the enterprise(s) is (are) invested with exclusive rights on a certain relevant market.</p>

Abuse of dominant position

Activities shall be prohibited of business entities with dominant position on the market as well as activities of several business entities, which together hold such a position, which have or may have as a result limitation of competition and/or injure upon the collective interests of final consumers, including such as:

- › imposing, directly or indirectly, of unfair prices for sale or purchase or other unfair trading conditions
- › limiting production, trading or technical development to the prejudice of consumers
- › applying unequal terms to equivalent transactions in relations with trading partners, thereby creating to some of them a competitive disadvantage
- › conditioning the conclusion of contracts on the acceptance of some additional deliverables which by nature or compliant with their commercial usage are not related to the object of these contracts
- › excessive pricing or predatory pricing aiming at eliminating competitors
- › unjustified refusal to contract with certain purveyors or to deliver to certain beneficiaries
- › terminating a contractual relationship previously established in the relevant market for the sole reason that the partner refuses to obey to certain unjustified commercial conditions

Antitrust agreements

The following agreement are prohibited and considered void:

1. Agreements of any form between enterprises or associations of undertakings, if such agreements lead or may result in competition limitation, including if orientated to:

- › directly or indirectly setting the purchase or sale prices or any other transaction conditions
- › limiting or controlling the production, marketing, technical development or investments
- › allocating of markets or power supplies
- › participating with rigged bids at auctions or any other types of competitive rendering
- › limiting or hindering other enterprises to access the market and to freely exercise competition, and the agreements not to buy or sell goods to certain enterprises without a reasonable justification, and others
- › applying unequal terms to equivalent transactions in relations with trading partners, thereby creating to some of them a competitive disadvantage
- › conditioning the conclusion of contracts on the acceptance of some additional deliverables which by nature or compliant with their commercial usage are not related to the object of these contracts

2. Hard cartel agreements between enterprises operating at the same level of market, if such agreements directly or indirectly (coordinated actions) lead or may result in limitation of competition, including directed to:

- › setting the prices for products sold to third parties
- › limitation of production or sales
- › allocation of markets or customers
- › participation with rigged bids at auctions or any other types of competitive rendering, and others

	<p>3. Agreements of minor importance, of any form:</p> <ul style="list-style-type: none"> › between business entities who are competitors (horizontal agreement) or potential competitors on one of the markets affected by the agreement and the aggregate market share held by the parties to the agreement and their dependent businesses does not exceed 10 % in any of the relevant markets affected by the agreement if such agreement leads to limitation of competition on the relevant markets › between non-competing business entities market share of each of the parties to the agreement and their dependent businesses does not exceed 15 % in any of the relevant markets affected by the agreement; if such agreement lead or may have resulted in limitation of competition on the relevant markets
<p>Unfair competition</p>	<p>Unfair competition actions are determined by the Competition Council and represented by the following:</p> <ul style="list-style-type: none"> › discrediting of competitors, i.e. defamation of their reputation or credibility › obtainment and/or use of information that is a commercial secret for the competitor by an enterprise without his consent if it has led or can lead to the satisfaction of the legitimate interests of the competitor › misappropriating competitor's customers by deception regarding the nature, manner and place of the production, the main characteristics, including the use, quantity of the products, the price or manner of the price calculation of the product › actions or deeds that may by any means lead to a confusion regarding the enterprise, the products or economic activities of a competitor

**Liability for
breaking
competition rules**

The Competition Council has the right to request termination of the infringement, to prescribe behavioral or structural remedies and/or apply fine.

In case of non-compliance with the provisions of the Competition Council, it has the right to apply penalties amounting to 5% of the average daily turnover achieved by the concerned enterprise or association of undertakings, during the preceding year of penalty, for each day of delay.

For breaching unfair competition rules, apart from criminal liability, the Competition Council shall apply a 0.5% fine as of the total turnover of the enterprise breaking the rules achieved in the year previous to the fine levy.

The Competition Council has the right to claim in court, requiring the court to declare the voidance of the antitrust agreements and to confiscate a part of the revenue obtained by the entities involved as a result of the competition rules infringement. The exact part of revenue to be confiscated shall be determined by the court.

Taxation rules

Moldovan Tax Residency

Moldovan tax legislation regulates different tax regime for residents and non-residents.

Main laws to consider	Tax Code No 1163-XIII dated 24.4.1997
Moldovan residents are considered	<ul style="list-style-type: none">› Individuals with permanent domicile in Moldova; The individual permanently domiciled in Moldova shall be regarded as Moldovan resident, even when he/she (i) is outside Moldova for treatment or vacation, for studies or on business trip, or (ii) is outside Moldova as an official of Moldova, acting in this quality› Individuals, who stay in Moldova at least 183 days during the fiscal year› Legal entities or any organization having the status of a natural person, that are organized and managed in Moldova or whose main place of business is located in Moldova

<p>Non-residents are considered</p>	<ul style="list-style-type: none"> › Individuals that are not permanently domiciled in › Individuals, who stay in Moldova less than 183 days during fiscal year › Individuals, who stay in Moldova at least 183 days during fiscal year: <ul style="list-style-type: none"> » as a person with diplomatic or consular status, or as family member of such a person » as an employee of international organization, created under an international treaty to which Moldova is a party, or as family member of such person » to obtain treatment for vacation, for studies, in business trip, provided that it is the sole reason for staying in the Republic of Moldova » for the purpose of travelling to another state through the territory of the Republic of Moldova (transit passing) › Legal entities that are organized and managed outside Moldova or whose main place of business is not located in Moldova
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Moldovan Tax System

The Moldovan Tax System can be classified in two levels:

- › National Level Taxes and Duties, to be paid to the national budget:
 - » Income Tax
 - » Value Added Tax
 - » Excise Tax
 - » Private Tax
 - » Customs duties
 - » Road Tax

- › Local Level Taxes and Duties, enacted at the level of administrative territorial

units, and to be paid to the budget of the correspondent territorial unit:

- » Real Estate Tax
- » Private Tax
- » Natural Resources Tax
- » Territory Development Tax
- » Tax for Local Auctions and Lotteries
- » Tax for external advertising
- » Tax for the use of local symbol
- » Tax for shops and/or for social services units
- » Market Tax
- » Hotel Tax
- » Resort Tax
- » Transport Services Tax
- » Parking Tax
- » Tax on dogs
- » Sanitation Tax
- » Tax on parking place
- » Tax for Advertising Installations

Corporate Income Tax (“CIT”)

Main laws to consider	Tax Code No 1163-XIII dated 24.4.1997
Taxpayers	<ul style="list-style-type: none"> › Business entities, residents of Moldova › Permanent establishments in Moldova of non-resident business entities
Permanent establishment	Permanent Establishment of a non-resident represents a fixed place of business through which the non-resident carries out, wholly or partly, entrepreneurial activity on the territory of Moldova either directly, or through a dependent agent. The income obtained by the non-resident through permanent establishment shall be taxed in Moldova similar as Moldovan business entities.

<p>CIT rate</p>	<p>12 %</p>
<p>Operating income for subjects of small and medium enterprises (SMEs)</p>	<p>3 %</p>
<p>Taxable income</p>	<p>The taxable income of a company is calculated as the difference between the revenues derived from any source and the expenses incurred in obtaining taxable revenues, throughout the fiscal year.</p>
<p>Deduction of expenses</p>	<p>In order to be deductible, the expenses of a business entity must be:</p> <ul style="list-style-type: none"> › necessary and ordinary for performance of entrepreneurial activity › confirmed by correspondent documentary evidences <p>Among deductible expenses considered to be incurred within business activity are the following:</p> <ul style="list-style-type: none"> › the ordinary and necessary expenses paid out or incurred by the taxpayer during the tax year, exclusively for business purposes › amortization of intangible assets › research and development expenses incurred during the tax year as current expenses › interest payments, provided they represent a usual and necessary expense incurred in connection with the business activity, except for certain specific cases › depreciation of fixed assets calculated depending on the category of property and in accordance with the category of property and the established rates <p>The deductibility of certain expenses is limited, including:</p> <ul style="list-style-type: none"> › business trip expenses and representation expenses, expenses on insurance of legal entities, within the limits approved by the Government › repairs expenses of fixed assets recorded in the balance sheet

	<ul style="list-style-type: none"> › repairs expenses of fixed assets (used according to the operational leasing agreement) › bad debts › expenses not justified by supporting documentation exceeding 0.2% of taxable income › philanthropic and sponsorship expenses borne for the benefit of specific beneficiaries › amounts obtained in the result of assets' reevaluation <p>Following expenses are non-deductible:</p> <ul style="list-style-type: none"> › payments to interdependent persons (related parties) where there is no proof that the payment is reasonable › expenses incurred by activities generating non-taxable income › income tax, penalties and fines relating to income tax, as well as penalties and fines on other taxes (duties), levies and compulsory payments to budget, as well as penalties and fines for legal infringements › taxes paid on behalf of third parties › amount paid for the acquisition of property for which the depreciation is calculated › losses resulting from the sale or exchange of property, fulfillment of works and rendering of services between interdependent parties › payments made in favor of holders of business patents; › contributions to the local company's reserve fund made before taxation › deductions to reserve fund
Capital gain	<p>As a general rule, shares and real estate are treated as capital assets for tax purposes. The income earned from their sale is therefore deemed as capital gain, equal to 50% of the difference between the purchase and sale price. The capital gain is included into the annual income of the taxpayer and is taxed according to general rule.</p>
Losses	<p>Losses may be carried forward for three consecutive years and set off against taxable profits in equal parts.</p>

Withholding Taxes

<p>Main laws to consider</p>	<p>Tax Code No 1163-XIII dated 24.4.1997</p>
<p>Dividends withholding tax</p>	<p>When dividends are paid to Moldovan residents:</p> <ul style="list-style-type: none"> › 0 % from dividends paid to individuals for undistributed revenues obtained up to 2008 › 6 % from dividends paid to legal entities for undistributed revenues obtained up to 2008 › 15 % from dividends paid to legal entities or individuals for undistributed revenues obtained within 2008-2011 › 12 % from dividends paid in the course of fiscal year <p>When dividends are paid to non-residents:</p> <ul style="list-style-type: none"> › 15 % from dividends paid for 2008-2011 › 6 % from dividends paid for other periods
<p>Interest withholding tax</p>	<ul style="list-style-type: none"> › 15 % for interest paid to individuals irrespective of their residency › No withholding tax is regulated when interest is paid to legal entities
<p>Royalty withholding tax</p>	<p>12 % for royalty paid to individuals</p>
<p>Withholding tax from other payments to non-residents</p>	<p>12 %</p>

Double Taxation Treaties

When other rules on withholding taxes are determined by Double Taxation Treaties ratified by Moldova, such rules shall be applied when determining the exact rates to be withheld from the revenue obtained by non-residents in Moldova.

As of today, following dividends, interest and royalty tax are applicable according to the Double Taxation Treaties, ratified by Moldova:

Country	Dividends %	Interest %	Royalty %
Albania	5 (25)* / 10	5	10
Austria	5 (25)* / 15	5	5
Azerbaijan	8 / 15	10	10
Belarus	15	10	15
Belgium	15	15	0
Bosnia and Herzegovina	5 (25)* / 10	10	10
Bulgaria	5 (25)* / 15	10	10
Canada	5 (25)* / 15	10	10
China	5 (25)* / 10	10	10
Croatia	5 (25)* / 10	5	10
Cyprus	5 (25)* / 10	5	5
Czech Republic	5 (25)* / 15	5	10
Estonia	10	10	10
Finland	5 (25)* / 15	5	3 / 7
Germany	15	5	0
Greece	5 (25)* / 15	10	8
Hungary	5 (25)* / 15	10	0
Ireland	5 (25)* / 10	5	5
Israel	5 (25)* / 10	5	5

* The tax rate shall be limited if the beneficiary owner is a company holding a direct share of at least 50 / 25 / 20 / 10 % in the capital or of the voting shares of the paying dividends company.

Country	Dividends %	Interest %	Royalty %
Italy	5 (25)* / 15	5	5
Japan	15	10	0 / 10
Kazakstan	10 (25)* / 15	10	10
Kuwait	5	2	10
Kyrgyzstan	5 (25)* / 15	10	10
Latvia	10	10	10
Lithuania	10	10	10
Luxembourg	5 (20)* / 10	5	5
Macedonia	5 (25)* / 10	5	10
Malta	5	5	5
Montenegro	5 (25)* / 15	10	10
Netherlands	5 (25)* / 15	5	2
Oman	5	5	10
Poland	5 (25)* / 15	10	10
Portugal	5 (25)* / 10	10	8
Republic of Armenia	5 (25)* / 15	10	10
Romania	10	10	10 / 15
Russian Federation	10	0	10
Serbia	5 (25)* / 15	10	10
Slovakia	5 (25)* / 15	10	10
Slovenia	5 (25)* / 10	5	5
Spain	0 (50)* 5 (25)* / 10	5	8
Switzerland	5 (25)* / 15	10	0
Tadjikistan	5 (25)* / 10	5	10
Turkey	10 (25)* / 15	10	10
Turkmenistan	10	10	10
Ukraine	5 (25)* / 15	10	10
United Kingdom	0 (50)* / 5 (20)* / 10	5	5
Uzbekistan	5 (10)* / 15	10	15

* The tax rate shall be limited if the beneficiary owner is a company holding a direct share of at least 50 / 25 / 20 / 10 % in the capital or of the voting shares of the paying dividends company.

Value Added Tax (“VAT”)

<p>Main laws to consider</p>	<p>Tax Code No 1163-XIII dated 24.4.1997</p>
<p>VAT taxable activities</p>	<ul style="list-style-type: none"> › Delivery (supply) of goods › Delivery (supply) of services › Import of goods › Import of services
<p>VAT rates</p>	<p>The general VAT rate is 20 %. Reduced rates of 8 %, as well as the nil rate, are applicable to the delivery and import of certain categories of goods. The 8 % reduced rate is mainly applicable to bakery, dairy products, medicines, sugar, plant industry, gardening products, horticultural products, livestock products and to the import and delivery of natural and liquefied gas. The nil rate is intended primarily for exported goods and services.</p> <p>Several types of transaction are exempt from VAT. An exemption means that VAT for the transactions should not be charged and that prepaid VAT applicable to those transactions cannot be deducted.</p>
<p>VAT registration</p>	<p>The VAT registration may be mandatory and voluntary.</p> <p>A business entity has the obligation to register as VAT payer if within any 12 consecutive months period the business entity has supplied goods and services for a value exceeding MDL 600,000 (about EUR 29,239).</p> <p>A business entity will have the right to register as VAT payer if the entity intends to carry out taxable supplies of goods or services. The subject is considered registered from the first day of the next month the tax application was submitted.</p>

<p>Place of goods delivery</p>	<p>The place of goods delivery is considered the place of their location at the moment of their delivery or transfer to the customer.</p> <p>When the transportation of goods is made by the customer, the place of delivery shall be considered, as a rule, the place where the goods were delivered for transportation.</p> <p>For electricity, thermal energy and gas supply, the place of delivery is considered the place of their reception.</p>
<p>Place of services delivery</p>	<p>The general rule is that the services are considered to be delivered at the services provider location.</p> <p>For some services the law determines other place of delivery, namely:</p> <ul style="list-style-type: none"> › place where the immovable assets are located – for services connected to immovable assets › transport itinerary – for transport services › place where the services were effectively performed: for services connected to movable tangible goods, for services related to culture, art, education, sport or other similar, for services related to transportation › place where the services are used – for rental of movable tangible assets › legal address, domicile or residence of the services beneficiary: for advertising, consulting, legal, accounting services, etc.
<p>Nil VAT</p>	<ul style="list-style-type: none"> › Exports of goods and services › All kind of international transportation of passengers and commodities (including expeditionary services) › Electrical power, heating, and hot water supplies for housing purposes

	<ul style="list-style-type: none"> › Goods and services designed for the official use of diplomatic missions and other similar missions in Moldova, as well as for personal use of the members of the diplomatic support staff and family members of the diplomatic staff › Services rendered by businesses operating in the textile industry on the territory of Moldova under an inward processing relief customs regime › Goods and services delivered to Free Economic Zones from outside the customs territory of Moldova, delivered from the Free Economic Zones outside the customs territory of Moldova, delivered to Free Economic Zones from the remaining part of the customs territory of Moldova and delivered between the residents of different Free Economic Zones of Moldova, etc. › Goods and services delivered to the International Free Port of Giurgiulesti and to the International Free Airport of Marculesti from outside the customs territory of Moldova, delivered from the International Free Port of Giurgiulesti and from the International Free Airport of Marculesti outside the customs territory of Moldova, delivered to the International Free Port of Giurgiulesti and to the International Free Airport of Marculesti from the remaining part of the customs territory of Moldova and delivered between the residents of different Free Economic Zones of Moldova, International Free Port of Giurgiulesti and International Free Airport of Marculesti, except the transport services delivered to the International Free Port of Giurgiulesti and to the International Free Airport of Marculesti from the remaining part of the customs territory of Moldova and the transport services delivered by the residents of different Free Economic Zones of Moldova, International Free Port of Giurgiulesti and International Free Airport of Marculesti.
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VAT exemptions

- › Dwellings, land, rental thereof, except for commission fees related to such transactions
- › Some food and non-food merchandise for children
- › State property purchased within the privatization process
- › Specific agricultural tractors and agricultural machinery
- › Long-term assets, used in production and rendering of services purposes, to be included in the share capital. It is prohibited within the next 3 years to sell, lease or rent the assets included in the share capital, if not re-exported, otherwise the VAT should be paid.
- › Services related to gambling rendered by subjects of entrepreneurial activity in the sphere of gambling (including the use of gaming machines), except for services whose value, in whole or in part, was included in stakes or paying for entry and other services provided to spectators or participants; lotteries
- › Passenger transportation services within the country and ticket selling services for passengers within the country
- › Some equipment and machineries with purpose for collection of the waste and garbage, for grinding, pressing, baling of the waste; vehicles for waste collection and transportation. Eligible are authorized entities in the field of collection, processing, recycling of waste
- › Financial services (with certain exceptions)
- › Insurance and reinsurance operations, including intermediary services thereof
- › Goods released on the customs territory under transit, transformation under customs surveillance, bonded warehouse regimes, etc.
- › Goods originating in Moldova that were previously exported and released back within a three-year term in the same status
- › Goods placed under a temporary admission and compensatory goods obtained from outward processing arrangements, according to the customs legislation, etc.

Excise Tax

Excise taxes are imposed on some consumer goods such as coffee, caviar, beer, wine, alcohol, petrol, diesel, perfumes, cars, video and audio equipment.

The obligation to pay excise taxes is on (i) entities producing and/or processing excisable goods on the territory of Moldova, and (ii) entities importing excisable goods. Before starting producing, processing and/or importing excisable goods, such entities have to obtain excise taxes certificates from Moldovan fiscal authorities. Also certain goods subject to excise tax have to be stamped with excise marks.

There are two type of excise taxes, specific (based on quantity) and ad valorem (based on value). The exact amount of excise rate to be applied is determined by the Appendix I of the Moldovan Tax Code as fixed amounts per unit of goods, as a percentage of the custom value of goods or as a combined form of rate.

Customs Charges

Main laws to consider	<ul style="list-style-type: none">› Customs Code No 1149-XIV dated 20.7.2000› Law on Customs Tariff No 1380-XIII dated 20.11.1997
Central customs authority	Customs Service (Serviciul Vamal)
Customs registrations	All Moldovan resident legal entities that intend to perform import/export activities to/from Moldova shall be registered at the territorial customs authority, where they are located.

<p>Customs regimes</p>	<ul style="list-style-type: none"> › Import › Re-import › Transshipment › Customs warehouse › Duty Free Shop › Processing of the Customs territory › Processing under Customs control › Temporary import › Free Zone › Free Customs warehouse › Processing outside the Customs territory › Export › Re-export › Destruction › Abandonment to the state
<p>Customs charges upon import</p>	<p>Generally, at importation of goods into Moldova, as the case may be, the following charges are payable:</p> <ul style="list-style-type: none"> › customs duties › VAT › customs services fee › excise tax › tax for authorization issue › tax for participation at customs auction › other payments as regulated by law <p>The exact rates of custom charges shall be determined depending on the category of goods, and are calculated on the customs value of the goods.</p> <p>The customs charges are paid prior to, or at the moment of submission of customs declaration. The customs declaration is executed by a customs broker who also calculates the duties.</p>

<p>Preferential customs treatment</p>	<p>Moldova has entered into international free trade agreements with 43 countries:</p> <p>EU – 28 member states (DCFTA)</p> <p>CIS – Member states (Armenia, Azerbaijan, Belarus, Kazakhstan, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan)</p> <p>Central European Free Trade Agreement (CEFTA) (Albania, Bosnia and Herzegovina, Macedonia, Serbia, UNMIK Kosovo)</p> <p>Turkey</p>
<p>DCFTA</p>	<p>The Deep and Comprehensive Free Trade Area (DCFTA) is an arrangement between the EU and the Republic of Moldova that foresees a preferential trade relationship, based on mutually advantageous treatment, giving to each other better access to their markets than that offered to other trade partners. Free Trade Agreement (FTA) foresees a removal of import (and export, if applicable) duties on trade in goods between the parties. It further provides for removal of obstacles to trade in services and better access for companies to establish in respective markets. As a member of the Eastern Partnership, the Republic of Moldova has been offered an advanced, associated partner status with the EU, aimed to forge closer political and economic ties with the EU. On this basis, the DCFTA includes several provisions aiming at reforming of the Republic of Moldova’s trade and trade-related policies, in line with, and on the basis of, the EU acquis. Complete elimination of all import duties and prohibition of export duties, on all goods on the EU side. Only some agricultural goods (mostly products of animal origin, sugars and cereal products), which are considered sensitive in the EU, will be subject to monitoring of trade flows.</p>

Goods exempted from customs duties

- › Moldovan and foreign currency, as well as securities
- › goods imported in Moldova as humanitarian aid,
- › goods imported by individuals for personal use, not exceeding EUR 300
- › periodicals, books (except of those used for advertising or with erotic content) of educational, cultural, scientific nature, didactic materials for pre-schools, educational and remedial institutions
- › goods (services) introduced into the free economic zone on the customs territory of the Republic of Moldova , outside the customs territory of the Republic, on the territory of other free economic zones; goods (services) exported outside the customs territory of the Republic of Moldova and other free economic zones, as well as goods produced in the FEZ placed on the customs territory of the Republic of Moldova
- › imported goods by legal entities for non commercial purpose placed whose value does not exceed 100 euros
- › long-term assets, used in production and rendering of services purposes, to be included in the share capital. It is prohibited within the next 3 years to sell, lease or rent the assets included in the share capital, if not re-exported, otherwise all customs duties should be paid.
- › goods imported for capital investment and under the terms and conditions of investment agreement „On International Free Port“ Giurgiulesti
- › imported petroleum products under the terms and conditions of the investment agreement „On International Free Port“ Giurgiulesti „, to be sold under the conditions of the mentioned above Agreement
- › goods whose value exceeds MDL 6.000 (about EUR 292), having a term of exploitation of more than 1 year, imported by leasing companies based on leasing agreements with individuals and legal entities from Moldova
- › goods to be sold in duty free shops,

	<ul style="list-style-type: none"> › goods released into the customs territory on a temporary basis under customs supervision, etc. › Moldovan goods previously exported and returned to Moldova within 3 years having the same status › imports for power projects for manufacturing wind energy
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Free Economic Zones

A free economic zone (“FEZ”) is a specific part of Moldovan territory in which Moldovan and foreign investors may conduct certain types of activities enjoying certain tax exemptions.

Moldova has seven FEZs:

- › Expo Business Chişinău
- › Balti
- › Otaci-Business
- › Vulcanesti
- › Taraclia
- › Tvardita
- › Ungheni-Business

Some FEZ privileges are also applicable to the Giurgiulesti International Free Port, and Free International Airport “Marculesti”.

<p>Business activities allowed to be conducted in FEZ</p>	<ul style="list-style-type: none"> › Industrial production of export-oriented goods, except for ethyl alcohol and alcoholic production › Sorting, packing, marking and other similar operations for goods in transit › External commercial activity › Transportation activity › Provision of other auxiliary activities, including utilities, warehousing, construction, catering and others, necessary to support the business activities indicated at points a) and b) above
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FEZ income tax privileges

The residents of FEZ will benefit from:

- › a corporate income tax discount of 50 %, applicable to incomes obtained from exportation of goods or services (produced in the FEZ) outside the customs territory of the Republic of Moldova as well as to incomes obtained from the delivery of goods or services (produced in the FEZ) to other residents of FEZ for the goods or services oriented to the export
- › a corporate income tax discount of 25 %, applicable to incomes generating from other business activities performed within the FEZ
- › the FEZ residents who invested in the fixed assets of their companies or in the development of infrastructure of the FEZ at least USD 1,000,000 will benefit from a tax exemption for the incomes obtained from exportation of goods or services outside the customs territory of the Republic of Moldova, as well as to incomes obtained from the delivery of goods or services (produced in the FEZ) to other residents of FEZ for the goods or services oriented to the export, during a 3-years term starting with the quarter when they achieved the respective investment amount
- › the FEZ residents who invested in the fixed assets of their companies or in the development of infrastructure of the FEZ at least USD 5,000,000 will benefit from a tax exemption for the incomes obtained from exportation of goods or services outside the customs territory of the Republic of Moldova, as well as to incomes obtained from the delivery of goods or services (produced in the FEZ) to other residents of FEZ for the goods or services oriented to the export, during a 5-years term starting with the quarter when they achieved the respective investment amount

<p>Customs regime</p>	<p>Goods originating from the FEZ and exported from FEZ to the rest of the customs territory of the Republic of Moldova or abroad are exempt from any customs duties, except for the customs processing fee.</p> <p>Goods imported to FEZ from the rest of the customs territory of the Republic of Moldova or from abroad are exempt from any customs duties, except for the customs processing fee.</p>
<p>VAT privileges</p>	<p>Goods or services imported to FEZ from abroad or from the rest of the customs territory of the Republic of Moldova, or exported outside of Moldova from the FEZ are subject to VAT at a 0 % rate. The delivery of goods or services within the FEZ are not subject of VAT taxation.</p>
<p>Excise tax privileges</p>	<p>The excised goods introduced to the FEZ from outside of the customs territory of the Republic of Moldova, from other free economic zones, from other customs territory of the Republic of Moldova, as well as the goods originating from FEZ and exported outside the customs territory of the Republic of Moldova are exempt of excise taxes.</p>

Individual Income Tax

<p>Income tax rate</p>	<p>The income obtained by resident or non-resident individuals in Moldova is subjected to a progressive income tax as follows:</p> <ul style="list-style-type: none"> › 7 % from annual income not exceeding MDL 31,140 (about EUR 1,517) › 18 % from annual income exceeding 31,140 (about EUR 1,517)
<p>Income from employment</p>	<p>The Income Tax from employment is withheld from the employees' gross income including basic salary, overtime salary, supplementary salary, awards and bonuses, compensation for unused holiday or vacation time, and all other monetary or in-kind benefits, as well as other services obtained without payment from the employer. The Individual Income Tax shall be paid by the employer to the tax authorities at the same time as the salaries are paid.</p>
<p>Income from rental fees</p>	<ul style="list-style-type: none"> › 10 % from rental fees paid by legal entities › 5 % from rental fees paid by individuals
<p>Gambling revenue</p>	<ul style="list-style-type: none"> › 18 %

Social Security Contributions ("SSC")

<p>Main laws to consider</p>	<ul style="list-style-type: none"> › Law on Social Securities Public System No 489-XIV dated 8.7.1999 › Law on Social Securities' Budget for 2017 No 286 dated 16.12.2016
<p>Supervising public authority</p>	<p>National Social Insurance Commission (Casa Nationala pentru Asigurari Sociale)</p>

<p>SSC system</p>	<p>An individual, domiciled in Moldova, shall be insured for social risks, such as retirement age, lost of supporter, invalidity, temporary disability to work caused by illness or accidents, professional diseases, child care, illness prevention, rehabilitation of work capacity, maternity, child birth, unemployment, and burial.</p> <p>The subjects of taxation include persons who have a permanent residence in Moldova, and are employed under individual employment agreements.</p> <p>The social security contribution is paid by the insured individual, except when such individual is employed by a Moldovan employer based on employment, service or other similar agreement.</p> <p>A company is required to pay its mandatory state social insurance contribution and withhold from the pay of the individuals the mandatory state social insurance contribution of its employees.</p>
<p>SSC rates for individuals employed based on employment agreements with Moldovan employers</p>	<p>› 6 % per month withheld from salary and other employment payments</p> <p>The employer shall withhold the social security contribution and transfer to the state budget on monthly basis.</p>
<p>SSC for Moldovan citizens employed based on employment agreements with foreign, non-resident employers</p>	<p>› MDL 7,512 (about EUR 366) per year</p> <p>To be paid by the insured individual upon registration of the employment agreement with the National Commission for Social Insurance</p>

<p>SSC for individuals employed based on service or similar agreements by Moldovan employers</p>	<ul style="list-style-type: none"> › 6 % per month withheld from salary and other payments <p>The Employer shall withhold the social security contribution and transfer to the state budget on monthly basis.</p>
<p>SSC for independent entrepreneurs/ business patent holders</p>	<ul style="list-style-type: none"> › MDL 7,512 (about EUR 366) per year <p>Independent entrepreneur/business patent holders shall transfer to the state budget 1/12 part of the annual contribution on monthly basis.</p>
<p>SSC for Moldovan employers</p>	<ul style="list-style-type: none"> › 23 % per month from the payroll for its employees and other individuals employed under service or other similar agreements.

Medical Insurance Contribution (“MIC”)

<p>Main laws to consider</p>	<ul style="list-style-type: none"> › Law on Amount, Manner and Period of Payment of Medical Mandatory Insurance Contributions No 1593-XV dated 26.12.2002 › Law on Medical Mandatory Insurance Fund for 2017 No 285 dated 16.12.2016
<p>Supervising public authority</p>	<p>National Medical Mandatory Insurance Company (Compania Nationala a Asigurarilor Obligatorii in Medicina)</p>
<p>MIC system</p>	<p>Both the employer and the employee are required to pay mandatory medical insurance contributions to the state budget. The individual entrepreneurs, holders of business patents, lawyers, notaries, and other individuals shall pay the medical insurance contribution in a fixed amount.</p>

<p>MIC for individuals employed based on employment agreements with Moldovan employers</p>	<p>› 4.0% per month withheld from salary and other employment payments</p> <p>The employer shall withhold the medical insurance contribution and transfer to the state budget on monthly basis.</p>
<p>MIC for Moldovan citizens employed based on employment agreements with foreign, non-resident employers</p>	<p>› MDL 4,056 (about EUR 197) per year</p> <p>To be paid by the insured individual.</p>
<p>MIC for independent entrepreneurs / business patent holders</p>	<p>› MDL 4,056 (about EUR 197) per year</p> <p>Independent entrepreneur/business patent holders shall transfer the entire amount.</p>
<p>MIC for Moldovan employers</p>	<p>› 4.0% from the payroll for its employees and other individuals employed under service or other similar agreements</p>

Employment regulations

Employment regulations are very strict and are considered employees protective. All employments aspects such as basic rules on employment agreements, working hours, grounds for dismissal, holydays, salaries and compensations, guarantees and responsibilities, special protection measures for certain categories of employees and employment disputes resolution shall be treated by the Moldovan employers in strictly correspondence with the law.

<p>Main laws to consider</p>	<p>Labor Code No 154-XV dated 28.3.2003</p>
<p>Recruiting of personnel in Moldova</p>	<p>It is unlawful to discriminate between applicants for employment on the basis of gender, marital status, race, nationality, ethnic, domicile, political views or social origins.</p> <p>The refuse to employ the applicant for employment shall be motivated and in a written form. The applicant for employment, whose application was rejected by the Moldovan employer, may appeal in a court.</p>
<p>Employment agreement</p>	<p>All aspects related to the employment of an individual by a Moldova company shall be confined in details in the individual employment agreement. It is mandatory for all Moldovan employers to conclude employment agreements in written form.</p> <p>When negotiating, elaborating and signing employment agreement, Moldovan employers are required strictly to correspond to the Moldovan Labor Code. Any contractual clause inserted in the employment agreement shall be void if it is in contradiction with employees' rights and interests and creates employment conditions that are worse than those specified by law.</p>

<p>Duration of employment</p>	<p>As a general rule, all employments shall be concluded for indefinite period. Employment for determined period of time is allowed only in limited cases, strictly determined by law, and for a term not exceeding 5 years.</p>
<p>Probation period</p>	<p>Moldovan employers may use probation periods in order to assess the professional skills of the employees upon employment. The length of the probation period is determined taking into consideration the job position and term of the employment. For instance, the probation period for unqualified personnel shall not exceed 30 days; for key officers 6 months. It is prohibited to use probation periods for a certain number of employees, including, but not limited to pregnant women, disabled persons, employees under 18 years, etc.</p>
<p>Remuneration rules</p>	<p>The amount and payment date of the employment remuneration shall be included into the employment agreement. The remuneration shall be paid in monetary form, is binding and confidential.</p> <p>Its amount shall depend on the offer and demand existing on the job market, volume, quality and complexity of work, work conditions, professional qualities of the employee, the employee's performances and outcomes.</p> <p>The employer is not allowed to unilaterally reduce or increase the remuneration. Any remuneration change shall be reflected in writing into the employment agreement, signed by both parties.</p> <p>The failure to pay the remuneration at the agreed date shall be subjected to a penalty of 0.2 % from the due amount for each day of delay.</p> <p>The remuneration component parts are: (i) basic wage, (ii) supplementary remunerations and (iii) other payments with stimulation and compensatory character.</p>

<p>Basic wage</p>	<p>The employer has the obligation to guarantee and offer its employees with a basic wage in an amount not lower than the minimum salary level, approved by the Government. In 2017, the minimum salary level was determined to MDL 2,380 (about EUR 115). For certain categories of employees there may be other official minimum salary rates established by law or collective conventions.</p>
<p>Supplementary remunerations</p>	<p>The employer is entitled to establish supplementary remuneration payments in addition to the basic wage. When required by law, such supplementary remunerations are mandatory for the employer. Thus, supplementary payments are mandatory in an amount determined by law for:</p> <ul style="list-style-type: none"> › employees performing works in unfavorable, hard and hazardous conditions › overtime work › work in non-working days or in official holidays <p>The employer has also the obligation to reimburse the working trip expenses of their employees including transportation, accommodation, daily allowances and other costs related to the business trip.</p> <p>Other premium and benefits, rewards based on annual activity results, premium for seniority, material assistance shall be at the sole discretion of the employer unless otherwise is required by law, collective bargaining agreements, or individual employment agreements.</p>
<p>Working hours</p>	<p>Normal duration of the working time cannot exceed 40 hours per week, consisting of 5 or 6 working days.</p> <p>For certain categories of employees stipulated by law, working time cannot exceed 24 hours per week (employees of 15-16 years old) 35 hours per week (employees of 16-18 years old, etc.).</p>

	<p>Normal working day constitutes 8 hours. Maximum duration of a working day cannot exceed 10 hours within the normal working time of 40 hours per week.</p> <p>12 working hours followed by 24 hours of rest may be fixed for certain types of activities, entities or professions.</p>
Daily break	At least 30 minutes per working day
Overtime work	<p>Overtime work is permitted only as an exception and the length of the extended working day may not exceed 12 hours. The overtime per calendar year shall not exceed 120 hour. In exceptional circumstances the overtime may be extended up to 240 hours, but only with the written consent of the employees.</p> <p>For overtime work the employees must be paid with at least 50 % over the basic rate.</p>
Night work	<p>Night work refers to the work performed between 10.00 pm and 6.00 am. The duration of night work (shift) is 1 hour less. It is not allowed to involve certain categories of employees (minors, pregnant women, etc.) in night work.</p> <p>For night work, the employees must be paid with a bonus in the amount of at least 50 % of the basic wage fixed by the company for the unit of time worked by the employee.</p>
Weekly rest	Weekly rest is provided within 2 consecutive days, usually on Saturday and Sunday. In any case, the duration of continuous rest cannot be less than 42 hours, except for cases when working week consists of 6 days.
Annual paid leave	28 calendar days

<p>Official paid holidays</p>	<ul style="list-style-type: none"> › 1.1. – New Year › 7./8.1. – Christmas (Julian calendar) › 8.3. – International Women’s Day › The first and the second day of Easter in compliance with the church calendar › Monday, one week after Easter (Pastele Blajinilor) › 1.5. – International Worker’s Day › 9.5. – Victory Day, the day of commemoration of heroes died for the independence of Motherland › 27.8. – Republic Day › 31.8. – Our Language Holiday › Feast of the place declared in the established order by local municipal, town, commune, village council › 25.12. – Christmas (Gregorian calendar)
<p>Maternity leave</p>	<ul style="list-style-type: none"> › 126 calendar days (70 days prior to and 56 days after giving birth): the payable indemnity equals to 100 % of the average salary and is payable by the employer › Until the child reaches 3 years old of age: the indemnity is partial and is payable by the state › Until the child reaches six years old of age: not paid leave
<p>Sick leave</p>	<p>An employee is entitled to be paid with sick leave indemnity during any period of illness confirmed by a correspondent medical certificate.</p>
<p>Employees liability</p>	<p>The employee shall be responsible to compensate the material damage caused to the employer within the amount of the monthly average wage, if there is no agreement on full material liability signed.</p>
<p>Employment termination</p>	<p>An employment may be terminated on the initiative of one of the parties, or under circumstances not depending on the will of its parties.</p>

	<p>The dismissal is allowed on specific grounds only that are strictly prescribed by law, such as a lack of qualifications for the position, noncompliance with the regulations or requirements, legal restructuring of the employer, etc. The dismissal of an employee shall be motivated and shall be made under the procedure regulated by law. The dismissal without observing the prescribed procedure may represent a reason for the court to decide over the reinstatement of the dismissed employee, upon his/her request.</p> <p>An employee has the right to request the termination of the employment with or without any reason, with a prior notice of 14 calendar days.</p>
<p>Employment of foreign citizens</p>	<p>Moldovan employers are allowed to employ foreign citizens only when local human resources cannot fill the vacancies. Therefore, prior to employ foreigners, Moldovan employers will be requested to prove that they announced locally about the existent vacancies, and that no correspondent Moldovan candidate applied for the job.</p>
<p>Foreign citizens employment authorization</p>	<p>In order to be employed in Moldova, foreign citizens will have to obtain, together with the Moldovan employer, the work permit and stay permit from Moldovan authorities.</p> <p>An employment without such authorization is subject to administrative liability for both, the Moldovan employer and foreign employee.</p> <p>For realization of the work activity the foreign citizen is obliged to obtain the stay permit for the purpose of employment. The responsible authorities in the Republic of Moldova are the National Agency for Employment and the Immigration and Asylum Office. Temporally stay permit for the purpose of employment is issued to the working-immigrants - for the term of 1-5 years with an opportunity of its prolongation under the application of the owner for new terms.</p>

<p>Basic wage for foreign employees</p>	<p>An employer is required to offer to a foreign employee a wage in an amount not lower than the average wage in the economy projected in the reporting year. In 2013, the average wage in the economy has been determined to MDL 3,850 (about EUR 206). In 2017, the average wage in the economy has been determined to MDL 5,300 (about EUR 258).</p>
<p>Entry visas</p>	<p>Foreign citizens may enter and leave Moldova based on valid documents required to cross the state border, which are recognized or accepted by the Republic of Moldova and a visa, if international agreements do not stipulate otherwise. In addition foreign citizens who intend to enter and stay in Moldova must prove that they have at least EUR 30 per day of stay, but not less than EUR 300 for an up to 10 days stay. When extending their stay period in Moldova, foreign citizens must prove that they have at least a minimum salary of 5.300 MDL per month, representing about EUR 258).</p> <p>As of today, no visa and prove proof of financial support are necessary to enter Moldova for citizens of:</p> <ul style="list-style-type: none"> › EU member states › United States of America › Canada › Switzerland › Norway › Ireland › Japan › Andorra › Israel › Liechtenstein › Monaco › Vatican City › CIS member states › Georgia
<p>Limited stay of foreign individuals without authorization</p>	<p>Foreign citizens are allowed to stay in Moldova without any authorizations not longer than 90 days during the last 6 months.</p>

Moldovan banking system

Moldovan two-tiered banking system consists of two levels: (i) the National Bank of Moldova (“NBM”) and (ii) commercial banks.

The NBM exercises regulatory powers in the monetary, currency and financial domains, and acts in the capacity of State’s bank, bank of banks, and monetary and currency regulator.

The creation, operation and termination of Moldovan commercial banks are regulated and supervised by the NBM. NBM approves adequate prudential requirements for the activity of commercial banks, supervised the observance of the set requirements and applies certain remedial measures.

As of today, 11 commercial banks operates in Moldova namely:

- > B.C. Moldova-Agroindbank S.A.
- > B.C. Victoriabank S.A.
- > B.C. Mobiasbanca - Groupe Societe Generale S.A.
- > B.C. Fincombank S.A.
- > B.C. EximBank - Gruppo Veneto Banca S.A.
- > B.C. ProCredit Bank S.A.
- > B.C. Moldindconbank S.A.
- > B.C. Energbank S.A.
- > B.C. Eurocreditbank S.A.
- > Banca Comerciala Romana Chi inau S.A.
- > B.C. Comertbank S.A.

Currency control regulations

<p>Main laws to consider</p>	<p>Law on Currency Regulation No 62-XVI dated 21.3.2008</p>
<p>Payments and transfers in MDL and foreign currencies between residents and / or non-residents</p>	<p>Payments in foreign currency among Moldovan residents in Moldova are prohibited.</p> <p>Moldovan residents` legal entities are allowed to purchase foreign currency only for the specific purposes provided for in the legislation (e.g. making external payments to non-residents, business trip expenses, the repayment of foreign currency loans, etc.). The purchased foreign currency can be kept only in current (non-deposit) accounts.</p> <p>Payments and transfers between Moldovan residents and non-residents may be performed in Moldovan Leu or in any foreign currency.</p> <p>Following payments shall be performed in Moldovan Leu only:</p> <ul style="list-style-type: none"> › payments related to the trade of goods and/or performance of services in stores, restaurants, hotels, petrol stations, other similar units operating in Moldova, except for units operating in vehicles involved in international traffic, duty-free stores operating in international airports, on aircrafts involved in international routes or at international points of crossing the Moldovan frontier › payments related to the performance by Moldovan residents-legal entities of public utilities and other services to housing and other premises › payments related to the trade with transport documentation by representative office of non-resident transport companies

	<p>› payments of salaries and other employment remunerations by Moldovan residents employers to non-resident employees for the work performed in Moldova</p> <p>Non-residents are allowed to transfer abroad foreign currency amounts obtained earlier from other non-residents or earned during the ordinary course of business in Moldova.</p> <p>Moldovan and foreign legal entities are allowed to receive and make payments and transfers in foreign currency only through bank transfers. The Law established some limits when such entities may use cash to perform foreign currency operations. Moreover, the law determines that the limit of the foreign currency received by a legal entity in Moldova in cash for the sold goods or performed services per day shall not exceed EUR 2,000.</p>
<p>Loans currency regulation</p>	<p>Moldovan residents, legal entities, except for banks, are prohibited from extending commercial credits in foreign currency.</p> <p>Any financing received by a resident entity from a non-resident is subject to the prior notification at the NBM.</p> <p>Moldovan residents are allowed to extend credits and loans to non residents only with prior NBM authorization.</p>

**Immovable
Property laws
and registration
overview**

Property rights and other estate rights over real estate and burdening of these rights are subject to the state registration in the real estate Register. The state registration of the property rights over the real estate in the Republic of Moldova is carried out by the Territorial Cadastral Offices located in the administrative - territorial units on the territory where the real estate is located.

Territorial Cadastral Offices are branches of the state enterprise "CADASTRU" which possesses the exclusive right over the state registration of the real estate objects. Registration of the real estate object and rights over the real estate objects are confirmed by the issuance of the Extract from the real estate Register that contains records about the real estate objects, its characteristics, limitations and burdening, and its Cadastral numbers.

The right of private property over the real estate obligates to observe requirements on protection of the environment and maintenance of good neighborhood, as well as to observe other requirements, which according to the law are assigned to the proprietor. The proprietor is obliged to care about his real estate and to maintain it.

Proprietors have the right without restrictions at a free price to alienate real estate that is belonging to them. Sale-purchase agreements of the real estate have to be notarized. In order to register the transaction the owner should provide the documents stating the characteristics of the real estate, the documents certifying the owner's property right to the real estate and Extract for real estate issued by the Territorial Cadastral Body on the territory of which the real estate is located.

According to the law in force the right to purchase and sale agricultural land have the legal persons which authorized capital doesn't contain foreign investments.

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„Each and every person counts“ – to the Castellars and to us.

Human towers symbolise in a unique way the Rödl & Partner corporate culture. They personify our philosophy of solidarity, balance, courage and team spirit. They stand for the growth that is based on own resources, the growth which has made Rödl & Partner the company we are today.

„Força, Equilibri, Valor i Seny“ (strength, equilibrium, valour and common sense) is the Catalan motto of all Castellars, describing their fundamental values very accurately. It is to our liking and also reflects our mentality. Therefore Rödl & Partner embarked on a collaborative journey with the representatives of this long-standing tradition of human towers – Castellars de Barcelona – in May 2011. The association from Barcelona stands, among many other things, for this intangible cultural heritage.

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