



**ACED**  
Agricultural Competitiveness and  
Enterprise Development Project



# A ROAD MAP FOR INVESTORS IN MOLDOVAN HIGH VALUE AGRICULTURE

CONDUCTED SEPTEMBER – DECEMBER 2011

**AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT  
PROJECT (ACED)**

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# EXECUTIVE SUMMARY

There are real opportunities in Moldova for investment. However, rumors have been circulating in recent years that successful companies could be bought out by local Oligarchs without any choice in the matter from the original investors. It is logical that this has greatly dampened outside investment. However, the new administration claims that protecting investor rights is a priority. As a result, there is a theoretical opening for new investment to take place in Moldova in a more secure manner. Due to its rich soil, strategic location, relatively inexpensive labor, and agricultural traditions, agri-business investments offer a promising place for investors to start.

## INTRODUCTION

This paper was developed under the Agricultural Competitiveness and Enterprise Development Project co-funded by USAID and Millennium Challenge Corporation, find more at: [http://moldova.usaid.gov/moldova\\_economic.shtml](http://moldova.usaid.gov/moldova_economic.shtml)): the project works on improving the competitiveness of Moldovan high value agriculture (HVA) by addressing binding constraints in targeted fruit and vegetable value chains at the marketing, production and policy levels.

Since Soviet times Moldova has been considered a primary supplier of fruits and vegetables and processed agriculture products to the East. Soviet-era agriculture has left a footprint in Moldova with its complex irrigation systems and, unfortunately, excessive land cultivation that often triggered land degradation. The transition has been painful for the Moldovan agricultural sector that operated in a centrally planned environment as part of the Soviet Union, insulating farms from market signals, imposing central targets as a substitute for consumer preferences, and allowing farms to function indefinitely under soft budget constraints without proper profit accountability.

Today the Moldovan Government has a complex understanding of agriculture and puts energy into increasing agriculture products quality and output, as well as post-harvest processing capacities. Because agriculture is related to rural areas, the Government sees enhancing the agricultural sector potential as a solution to reduce poverty and raise living standards in rural areas, where over half the population lives and agriculture is the main source of employment and earnings. International donor projects like ACED and Millennium Challenge Corporation's Compact program with its irrigation and road rehabilitation projects are set to bring their contribution to make agriculture more efficient and by that, increase Moldova social and economic sustainability.

High value agriculture (HVA) offers a lot of answers to numerous challenges that agribusinesses are facing in Moldova. Increasing primary agricultural production would give a boost to the agro-processing industry and enhance the country's export base and would certainly lead to sustainable broad-based economic growth. In 2010, Moldova's agriculture output stood at 20 billion MDL, out of which about 66% (13 billion MDL) was production of fruits and vegetables. Agriculture gross added value reached 5.5 billion MDL, contributing with 10 % to economy's gross added value and making agriculture the third engine of Moldova's economy. In 2010, exports of fruits and vegetables comprised over 175 million USD. Exports of nuts and apples made up to 34% and 29% respectively, with a massive potential to be explored in the future. Moldova's traditional reputation as a low cost producer of HVA crops is currently questionable due to the reduced HVA yields registered over the last decade. If irrigation levels and technology were to be restored, especially since inputs are increasingly available, then there is every

reason to believe that Moldova could be a very competitive low cost producer of HVA crops. From this point of view, facilitating investors' access to Moldova HVA sector opportunities is of major importance.

This study is intended to offer helpful and straightforward information to local and foreign investors looking to invest in the Moldova HVA sector in dealing with public authorities, obtaining permits, authorization and certificates. Unlike other publications generally studying the ease of doing business in Moldova, this report takes investors along some of most important steps in operating an agri-business in Moldova, like company establishment, staffing, access to finance and operating inputs. It also highlights some essential steps in dealing with Moldova's public authorities and other agri-business stakeholders as well as marks specific aspects of Moldova agriculture and HVA sectors.

# ESTABLISH YOUR BUSINESS

According to research done by the World Bank *Doing Business* study, starting a business in Moldova requires 7 procedures, takes 9 days, and costs 1981 MDL (less than \$200) in government fees<sup>1</sup>.

Business regulations start with the business's juridical organization. Establishing a business usually starts with selecting the most appropriate legal organization. Five legal organizational forms are commonly used to set up an agricultural business in Moldova: individual's enterprise and peasant farm (both of them as an individual "natural person"), limited liability company (LLC), joint stock company (JSC) and cooperatives (each of these three vehicles as a so called "legal person").

Establishing individual enterprises and peasant farms requires a minimal set of documents and start-up capital. Establishing LLCs, JSCs and cooperatives requires more documents, more considerable start-up capital, and a more complex internal decision making process.

The table below outlines the give main legal forms of business vehicles.

Criterion	The Legal Form				
	Sole Proprietorship, Peasant Farms	Limited Liability Company	Joint Stock Company	Production Cooperative	Entrepreneurial cooperative
#					
Founder	Natural person-individual entrepreneur	Natural and/or legal person	Natural and/or legal person	Natural person	Natural and/or legal person
Residence of the founder	Resident and/or foreigner	Resident and/or foreigner	Resident and/or foreigner	Resident and/or foreigner	Resident and/or foreigner
Number of founders	1	Minimum 1 - Maximum 50	Minimum 1 - unlimited	Minimum 5	Minimum 5
Minimum capital required	Not specified	5,400 MDL	20,000 MDL	Not specified	Not specified
The capital sources	Not specified	Money, movables, real estate	Money, movables, real estate	Money, movables, real estate	Money, movables, real estate
The profit distribution	Net profit	Percent of the profit according to capital share	Percent of profit according to number of stocks	To cooperative members	To cooperative members
The governing bodies	Individual entrepreneur	1) General Assembly of the Associates 2) Board of Directors (when requested) 3) the Administrator	1) General Assembly of the Shareholders 2) Board of Directors (when requested) 3) Administrator	1) General Assembly of the Shareholders 2) Cooperative Council (when more than 50 members) 3) President	1) General Assembly of the Shareholders 2) Cooperative Council (when more than 50 members) 3) President
The liability of the founder	Unlimited, with all the goods under his possession	According to capital share	According to number of stocks held	According to capital share	According to capital share

According to the World Bank *Doing Business* report 2012 there are the following costs for registering a business:

- State registration: MDL 1000 for expedited (4 hour) registration;
- Incorporation document preparation (editing) expedited: MDL 432;
- Name verification: MDL 39;
- Certification of signatures by the State Registrar: MDL 10;
- Publication: MDL 54;

<sup>1</sup> World Bank *Doing Business* 2011,

<http://www.doingbusiness.org/~media/fpdkm/doing%20business/documents/profiles/country/MDA.pdf>

- Extract (for permanent bank account) - expedited - 4 hours: MDL 252;
- Official company stamp: MDL 150;
- License fee (authorization for stamp manufacturing): MDL 9;
- Company name approval: MDL 20;
- Approval of stamp text: MDL 15

## 1.1 Sole Proprietorship Registration

Registering a sole proprietorship in Moldova costs 171 Lei Minimum. In order to register a sole proprietorship in Moldova the following steps must be taken:

- 1) Prepare a Registration application (download a Registration application at <http://cis.gov.md/content/5>).
- 2) Pay fee to the State Registration Chamber (SRC) cash desk (522 MDL for a 4 hour express registration, 171MDL for 5 day normal registration). Get a receipt.
- 3) A foreign founder must also obtain:
  - a) A personal criminal record from their own country.
  - b) A personal criminal record from Moldova's Ministry of Internal Affairs' Information and Investigation Evidence Department (Chisinau, 3A Iacob Hincu str., see: [http://www.mai.md/perm\\_dispoz](http://www.mai.md/perm_dispoz)) or local District Police Office). Thirty MDL for five days service, 60 MDL for one day service.
- 4) Submit personal identification document, registration application, registration receipt and criminal records to SRC local office.
- 5) Obtain new company establishment papers (Company registration certificate, foundation documents: statute and SRC registration decision, company stamp).

## 1.2 Peasant Farm Registration

Either a foreigner or a Moldovan can start a peasant farm, but as a foreigner cannot own land, it would have to be on rented land. The process of registering a peasant farm is:

- 1) Get copies of land ownership documents.
- 2) Pay the registration fee to the City Hall cash desk (around 10-20 MDL). Get a receipt.
- 3) Submit registration application, copies of land ownership documents and registration receipt to the Mayor's office (deputy-Mayor's office). Get a Registration certificate from the Mayor's office within a week.

## 1.3 LLC and Cooperative Registration

- 1) Prepare a Registration application. Download a Registration application at <http://cis.gov.md/content/5>.
- 2) Request a certificate of capital Shares (specifying the future company share capital) from the State Registration Chamber (SRC) local office. Find local offices at: <http://cis.gov.md/content/68>.
- 3) Go to a commercial bank, deposit your share capital and apply for a share capital submission certificate. At registration, at least 40% of each founder's declared contribution to company capital should be deposited. The other 60% must be paid in within 6 months of registration.
- 4) Pay the registration fee to the SRC cash desk (1,777 MDL for a 4 hour express registration, 514 MDL for 5 day normal registration). Get a receipt.

- 5) Pay for company name approval (40 MDL), stamp manufacturing (150-240 MDL) to SRC cash desk. Get receipts.
- 6) A foreign founder (natural person) must also obtain:
  - a) A personal criminal record from his or her own country (translated into Romanian).
  - b) A personal criminal record from Moldova's Ministry of Internal Affairs' Information and Investigation Evidence Department (Chisinau, 3A Iacob Hincu str., see: [http://www.mai.md/perm\\_dispoz](http://www.mai.md/perm_dispoz)) or local District Police Offices. Thirty MDL for five days service, 60 MDL for one day service.
- 7) Foreign companies must also obtain:
  - a) Founding company incorporation papers and extract from home country State Registration Chamber.
  - b) Office rent agreement or ownership papers.
  - c) New company establishment decision (download template from <http://cis.gov.md/content/5>).
- 8) Submit above mentioned papers to local SRC office to get new company foundation documents
- 9) Submit company establishment papers to local office of Tax Service (TS), National Company for Social Insurances (NCSI) and National Company for Medical Insurances (NCMI) to complete registration. Newly registered companies should register with the Tax Inspectorate.

## 1.4 JSC Registration

To register a joint stock company, the procedure is similar to the above. The steps are:

- 1) Prepare a Registration application (download a Registration application at: <http://cis.gov.md/content/5>).
- 2) Request a certificate of capital Shares (specifying the future company share capital) from the State Registration Chamber (SRC) local office (find local offices at: <http://cis.gov.md/content/68>).
- 3) Go to a commercial bank, deposit your share capital and apply for a share capital submission certificate. At registration, at least 40% of each founder's declared contribution to company capital should be deposited. The other 60% must be paid in within 6 months of registration.
- 4) Pay the registration fee to the SRC cash desk (2569 MDL for a 4 hour express registration, 712 MDL for 5 day normal registration). Get a receipt.
- 5) Pay company name approval (40 MDL) and stamp manufacturing (150-240 MDL) to SRC cash desk. Get receipts.
- 6) A foreign founder (natural person) must also obtain:
  - a) A personal criminal record from his own country (translated into Romanian).
  - b) A personal criminal record from Moldova's Ministry of Internal Affairs' Information and Investigation Evidence Department (Chisinau, 3A Iacob Hincu str., see: [http://www.mai.md/perm\\_dispoz](http://www.mai.md/perm_dispoz)) or local District Police Offices. Thirty MDL for five days service, 60 MDL for one day service.
- 7) Foreign companies must also get:
  - a) Founding company incorporation papers and extract from home country State Registration Chamber.
  - b) Office rent agreement or ownership papers.
  - c) New company establishment decision (download template from <http://cis.gov.md/content/5>).
- 8) Submit above mentioned papers to local SRC office to get company establishment papers.
- 9) Submit company establishment papers to local office of Tax Service (TS), National Company for Social Insurances (NCSI) and National Company for Medical Insurances (NCMI) to complete registration.

# References

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- 1) The Civil Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=286216>
- 2) Law Nr. 845 of 03.01.1992 regarding entrepreneurship and the enterprise, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311735>
- 3) Law Nr. 220 of 19.10.2007 regarding state registration of the legal persons and of the sole proprietorships, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326009>
- 4) Law Nr. 1134 of 02.04.1997 regarding joint stock companies, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312737>
- 5) Law Nr. 1007 of 25.04.2002 regarding production cooperatives, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312728>
- 6) Law Nr. 135 of 14.06.2007 regarding limited liability companies, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=324892>
- 7) Law Nr. 1007 of 25.04.2002 on production cooperatives, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312728>
- 8) Law Nr. 73 of 12.04.2001 on entrepreneurs cooperatives, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311718>

# Attention!

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- 1) Registration documents can be submitted by the investor or by his legally authorized representative.
- 2) The establishment documents are submitted by foreign investing company in original or in copies that are legally authenticated by the consular offices of Moldova abroad. The copies must also be translated in Romanian. No additional authentication is needed for documents issued by countries signatory to Legal Assistance Agreements with Moldova (e.g. Romania, Russian Federation). For other countries, it is recommended to obtain an Apostille stamp on official documents.
- 3) 10 days are needed for District Police Offices to issue personal criminal records.
- 4) In order to establish JSC, LLC and Cooperatives, share capital amounts must be submitted to a commercial bank deposit. In return, the founders must obtain a bank certificate confirming the share capital amount submission. The certificate is necessary for State Registration Chamber company registration. When depositing share capital, it is possible to only deposit 40% for the initial deposit and then the remainder within the next six months when the initial “temporary” account is converted into a permanent one.

# Where To Go

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Institution	Contacts
Moldovan Investment and Export Promotion Organization	65, AlexeMateevici str., Chişinău, Tel.: +373 22 27 36 54 Fax: +373 22 22 43 10. <a href="http://miepo.md">http://miepo.md</a>
Ministry of Internal Affairs' Information and Investigation Evidence Department	3A IacobHincu str., Chisinau, see: <a href="http://www.mai.md/perm_dispoz">http://www.mai.md/perm_dispoz</a> or local District Police Office
National Company for Insurances in Medicine	12, Grigore Vieru blvd, Chisinau, <a href="http://cnam.md">http://cnam.md</a> . Find local offices at: <a href="http://cnam.md/?page=21">http://cnam.md/?page=21</a>
National Company for Social Insurances	3, Gheorghe Tudor str., Chisinau, <a href="http://cnas.md">http://cnas.md</a> .
State Registration Chamber	73, Stefan Cel Mare si Sfint blvd., Chisinau, <a href="http://cis.gov.md">http://cis.gov.md</a>

State Tax Service	9, Cosmonautilor str., Chisinau, find local offices at <a href="http://www.fisc.md">http://www.fisc.md</a>
Commercial banks	<a href="http://www.bnm.md/md/list_licensed_banks_md">http://www.bnm.md/md/list_licensed_banks_md</a>
Business planning consultants	<a href="http://yp.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/">http://yp.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/</a>
Business lawyers	<a href="http://yp.md/rom/rub/7520/7736/8152/consultatii-juridice/">http://yp.md/rom/rub/7520/7736/8152/consultatii-juridice/</a>

## 2. STAFFING

Foreigners must obtain work permits in order to be able to conduct business activities in Moldova. A work permit is commonly issued for one year and its validity must be extended yearly. However, foreigners establishing companies can obtain a two year work permit for investments of 10,000 to 100,000 USD, a three year work permit for investments of 100,001 to 250,000 USD or a five year work permit for investments exceeding 250,000 USD. Foreign workers can obtain only work permits valid for one year.

Usually, prior to obtaining a work permit, a foreigner must obtain a temporary “C” visa (except for residents of EU27, Commonwealth of Independent States, Canada, Japan, Swiss Confederation, Iceland, Norway and USA). After obtaining the work permit, they are allowed to work, sign labor agreements, hire local and foreign workers and pay salary taxes.

Extending the validity of a work permit requires the same documents as obtaining it. It is mandatory that a work permit extension request be submitted at least one month prior to permit validity expiration (see Obtain a Work Permit).

Type “C” and “D” visas are usually issued for businessmen and foreigners seeking to obtain a work permit in Moldova (see for more details Law Nr. 200 of 16.07.2010 regarding foreigners’ regime in Moldova, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=336056>). Both types of visa can be renewed.

### 2.1 Obtain a Type “C”, Type “D” Visa

- 1) Find Moldova’s consular mission in your country (locate Moldova consular missions at: <http://www.mfa.gov.md/misiunile-diplomatice-oficiile-consulare/>) and request visa application form and a Letter of invitation form unless you are from one of the countries mentioned above whose citizens are allowed to enter Moldova without a visa. Submit the visa application, the Letter of invitation, a recent photography (35x45mm, 1.5"x 2.0") and passport to consular mission for endorsement.
- 2) Pay documents examination fee (\$36 USD for a 30 days examination and \$63 USD for a 3 days examination) and visa issuance fee (\$5 USD for a 5 days issuance and \$20 USD for a 1 day issuance).

### 2.2 Obtain a Work Permit

- 1) Find your company’s State Tax Inspectorate (STI) jurisdictional office and request an Outstanding Tax Debt Certificate (find local STI offices at: <http://www.fisc.md/ro/about/teritorial/>) if your company has been operating for more than 3 months (not necessary if operating for less than 3 months).
- 2) Prepare your Labor Agreement according to the Civil Code stipulations (find the Civil Code at <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=286216>).
- 3) Find a Moldovan clinical hospital, undergo a HIV/AIDS test and receive a HIV/AIDS medical certificate (find hospitals at <http://www.ms.gov.md/ministry/structure/Institutiilesubordonate/>).
- 4) Find a dwelling place and sign a purchase/rental agreement or have the dwelling owner sign a personal responsibility declaration for the individual requiring the work permit.
- 5) Find a local insurance company and sign a Medical insurance contract for at least one year (find insurance companies at <http://yellowpages.md/rom/rub/8292/8474/7706/companii-de-asigurari>).

- 6) Submit 2 copies of each of the following documents to the Migration and Asylum Bureau (MAB) one-stop shop: company foundation documents copies, outstanding tax debt certificate and the company's financial report, the labor agreement, the HIV/AIDS clinical certificate, a dwelling place rent agreement or ownership documents, and health insurance policy.

## 2.3 Hiring Expatriates

In order to hire expatriates, local companies must notify Moldova's National Employment Agency (NEA) about the vacancy and, in limits of 1300 expatriates per year, obtain NEA's acceptance (if there wasn't a satisfying local candidate for that vacancy), which is decisive for prospective expatriate employee letter of invitation application and, respectively, for obtaining the visa.

- 1) Find your local National Employment Agency (NEA) office and register the vacancy (locate NEA local offices at: <http://www.anofm.md/prezentare>). A full job description is requested.
- 2) Submit to NEA for endorsement: an employment application for the prospective employee, a copy of the vacancy public announcement, copies of company foundation documents, the draft expatriate labor agreement.
- 3) Have the prospective expatriate employee find a Consular Mission in his/ her home country (locate Moldova consular missions at: <http://www.mfa.gov.md/misiunile-diplomatice-oficiile-consulare/>) and request visa application and letter of invitation forms. This step is not necessary if the prospective employee is a citizen of one of the countries whose citizens are exempt from visa requirements in Moldova.
- 4) Have the prospective expatriate employee submit the visa application, the letter of invitation, a recent photography (35x45mm, 1.5"x2.0") and your travel document to the consular mission for endorsement, pay documents examination fee (36 USD for a 30 days examination and 63 USD for a 3 days examination) visa issuance fee (from 5 USD for a five day response, or up to 20 USD for a one day response) and obtain the visa.
- 5) Find your company's State Tax Inspectorate (STI) jurisdictional office and request an Outstanding Tax Debt Certificate (find local STI offices at: <http://www.fisc.md/ro/about/teritorial/>) if your company has been operating for more than three months.
- 6) Prepare your Labor agreement according to the Civil Code stipulations (find the Civil Code at <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=286216>).
- 7) Find a clinical hospital and have the prospective expatriate employee undergo a HIV/AIDS test and receive a HIV/AIDS medical certificate (find hospitals at <http://www.ms.gov.md/ministry/structure/Institutiilesubordonate/>).
- 8) Have the prospective expatriate employee find a dwelling place and sign a purchase/rent agreement or have the owner sign a personal responsibility declaration.
- 9) Have the prospective expatriate employee find a local insurance company and sign a Health insurance contract for at least one year (find insurance companies at <http://yellowpages.md/rom/rub/8292/8474/7706/companii-de-asigurari/>).
- 10) Submit two samples of each of the following documents to the Migration and Asylum Bureau (MAB) one-stop shop: company foundation documents copies, the outstanding tax debt certificate and the company's financial report, the labor agreement, the HIV/AIDS clinical certificate, a dwelling place rental or ownership documents, the health insurance policy.
- 11) Pay documents examination fee (1,440 lei) at the Migration and Asylum cash-desk. Get a receipt.
- 12) The expatriate submits his ID, MAB endorsed documents to a "Registru" local office and receives his machine-readable work permit (locate "Registru" local offices at: [http://www.registru.md/map\\_docum/](http://www.registru.md/map_docum/)). The permit can be received in eight hours for a fee of 1,100 MDL or 30 days for a fee of 400 lei.

## 2.4 Know Moldova Hiring Procedures and Income Taxes

In Moldova, there are no specific regulations of labor norms in agriculture. The general Moldovan labor regulations and conventions apply: remuneration of the employees according to individual labor agreements, working time and rest periods, patterns of collective labor contract, prohibition of the most serious forms of child labor, minimum guaranteed wage in real sectors of the economy (find conventions at: <http://www.sindicat.md/88>). Aside from the local offices of the National Employment Agency (NEA), there are also over 15 recruiting and head-hunting agencies in Moldova (see: [http://yellowpages.md/rom/search\\_rub/recrutare/](http://yellowpages.md/rom/search_rub/recrutare/)).

### 2.4.1 Labor agreements, workbook and wages

The individual labor agreement and an employee's official workbook are the two standard documents required to be utilized when hiring employees.

The labor agreement states general and specific clauses (conditions, risks, payment, confidentiality, confidence, mobility, etc.), including the remuneration. In Moldova, an individual becomes eligible to work at the age of 16, but can sign a work contract at the age of 15, with the approval of his parents or the legal guardians. According to present laws, employers can verify an employee's professional capacities in probationary employment periods (from two weeks to three months).

The workbook is a document compiled by the employer for each employee that has worked in the company for at least 5 days. This condition is standard for all types of employees, including temporary or expatriate employees. The workbook includes information regarding the employee, his work record and promotions for successful activity. The workbook is handed to the employee after dismissal.

The wage is agreed by employer and employee in the labor agreement. Since February 1st, 2010, the minimum gross wage (that includes the state taxes and the wage-related taxes), regardless of the company type and in any economic sector, is 6.51 lei per hour, or 1 100 lei per month for an average 169 hours worked per month. However, the minimum gross wage in the agricultural sector is the 990 MDL/month (see GD Nr.165 of 09.03.2010 on economy real sectors wage minimum, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=333943>). In 2011, the gross median wage in agriculture stood at 1638, 2 MDL (<http://www.statistica.md/pageview.php?l=ro&idc=338&id=2354>).

### 2.4.2 Labor Regulations and Conflict Resolution

The Moldova Labor Code enumerates a number of situations which can foster and lead to disagreement between the employer and the employee:

- 1) signing of the individual labor agreement;
- 2) execution, modification and suspension of the individual labor agreement;
- 3) partial or total cancellation of the individual labor agreement;
- 4) payment of compensations in case of non-performance of one part of the agreement;
- 5) agreement nullification (disposition of hiring); and
- 6) failure to issue the workbook, or mistakes in the information registered in the workbook, etc.

Conflicts can be amiably settled through conciliation or mediation, but there is always the option of court settlement. Moldova Labor Code and Law Nr. 134 of 14.06.2007 on mediation refers specifically to

amiable ways of settling labor conflicts. These are usually the most cost-effective methods of labor conflict settlement.

Court settlement is generally more expensive and more complex. An employee must apply for court settlement in a term of three months starting from when he has found that some of his rights have been breached (e.g. didn't receive proper notice period) or within a term of three years after the appearance of a specific right of the employee if this right is the litigation subject (e.g. didn't get paid). Moldova court will summon the litigating sides in a term of 10 days from the registration of the request and will pronounce a decision within 30 days. The decision can be appealed. The Civil Procedure Code regulates labor disputes court settlement (see <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=286229>). The Moldovan court system is generally considered labor friendly.

## 2.4.3 Income Taxes

After business registration, employers pay income taxes and withhold income taxes on behalf of the employee for each employee. In agriculture, these taxes refer to:

- 1) The income tax:
  - a) 7% for peasant farms and sole proprietorship enterprises;
  - b) 7% for employees, individuals with annual income less than 25,200 MDL;
  - c) 18% for employees, individuals with annual income exceeding 25,200 MDL;Note that in 2012, every tax payer had the right for a personal exemption of 8,640 MDL.
- 2) Social insurance contributions:
  - a) 6% is withheld by the employer on behalf of the employee;
  - b) 22% of the employee's gross salary is paid by the employer, out of which 6% is subsidized by the Government.
- 3) Medical insurance contributions:
  - a) 7% total: 3.5% is withheld by the employer on behalf of the employee, 3.5% is paid by the employer.

## References

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- 1) The Labor Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326757>
- 2) The Fiscal Code, <http://www.fisc.md/ro/lege/fiscrm/>
- 3) Law Nr. 180 of 10.07.2008 regarding labor migration, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=328963>
- 4) Law Nr. 200 of 16.07.2010 regarding foreigners regime in Republic of Moldova, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=336056>
- 5) Law Nr. 134 of 14.06.2007 regarding mediation, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326080>
- 6) Law regarding 2011 state social insurance budget, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=338162>
- 7) Law Nr. 55 from 31.03.2011 on the mandatory medical insurance funds for 2011, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=338164>
- 8) GD Nr. 1449 of 24.12.2008 regarding workbook, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326586>

# Where To Go

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<b>Institution</b>	<b>Contacts</b>
Migration and Asylum Bureau, <a href="http://www.migratie.md">http://www.migratie.md</a>	124 Ștefan cel Mare și Sfint blvd., Chisinau, tel/fax 27-74-88 / 27-72-51 / 27-96-07
National Employment Agency, <a href="http://www.anofm.md">http://www.anofm.md</a>	90, M. Varlaam str., Chisinau, Telefon: 22-64-87, 22-44-40, Fax: 22-64-87, find local offices at: <a href="http://www.anofm.md">http://www.anofm.md</a> )
SC “Registru”,”, <a href="http://www.registru.md/">http://www.registru.md/</a>	42, Puskin str., Chisinau (locate local office at: <a href="http://www.registru.md/map_docum/">http://www.registru.md/map_docum/</a> )

# 3. SITING YOUR BUSINESS

In Moldova, foreigners (natural persons or mixed capital companies) are not allowed to own agricultural land, but they are allowed to own land designated for construction. As of 2011, the central public authorities' owned 781.9 thousand ha (both construction and agriculture use land) and local public authorities owned 721 thousand ha (both construction and agriculture use). Private ownership land surface is about 1881.7 thousand ha. About 2,008.7 ha of land are of agriculture use, over 90% of this land being privately held.

## 3.1 Buying Publically Owned Land

Tenders for the purchase of publically owned land are always made public in mass-media (Monitorul Oficial and local media) after a bidder expresses his interest for that land and it is determined that the land qualifies for privatization. Public land is always sold at a normative price, which is a traceable measure of the land's value according to its cadastral features. It is determined by local cadastral offices in return for specific fees (see below Law Nr.1308 of 25.07.1997 on normative price and methods of land purchasing to know more about land normative price).

In order to purchase privatized land, the investor goes through the following steps:

- 1) Download a publically owned land purchase application (download from: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295933>) and submit it together with the personal ID (company Registration certificate for legal persons) to the Mayor's office within whose jurisdiction the land is located.
- 2) Wait one month for the Local Council to publically announce the tender, elaborate the plat (map, showing the dimensions and location of land), calculate the land price and publically announce the tender results (see below Law Nr.1308 of 25.07.1997 on normative price and methods of land purchasing to know more about land normative price).
- 3) Sign the land purchase agreement and pay at least 50% of the agreed price within 30 days.
- 4) Pay land property taxes (0.2%, not to be less than 84 MDL and not to exceed 420 MDL) at the City Hall Tax Department and request an outstanding tax debt certificate (see next Tax Registration and Payment to learn more about real estate tax).
- 5) Visit <https://www.cadastru.md/eservicii/webinfo-es/f?p=108:1:760424325215249> e-service webpage and make an electronic request for the Land ownership statement from the Register of Real Estate (or locate and visit the local Cadastral office and request the Land ownership statement from the Register of Real Estate. Find local Cadastral offices at <http://www.cadastru.md/eservicii/>).
- 6) Submit the Land Purchase Agreement, the Land ownership statement form The Register of Real Estate and the Outstanding Tax Debt Certificate to a Notary Office for land purchase agreement notarization.
- 7) Submit the notarized Land Purchase Agreement and the Land Geographic Plan (plat provided by the Mayor's office) to the local Cadastral office to register the ownership right. Pay land ownership registration tax (40 MDL for each parcel of land) and get a receipt (see <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=324492> to learn about land ownership registration taxes).

### 3.1.1 Buying Private Land

In order to buy land from a private seller, the following procedures should be followed:

- 1) Request the seller to personally obtain a Land Ownership Statement from the Register of Real Estate and to have ready his property title (issued by the Mayor's office).
- 2) Contact a notary office for a Land Purchase Agreement template. Sign the purchase agreement with the seller and have it notarized.
- 3) Pay land property taxes (0.2%, not to be less than 84 MDL and not to exceed 420 MDL) at the City Hall Tax Department and request an outstanding tax debt certificate.
- 4) Visit <https://www.cadastru.md/eservicii/webinfo-es/f?p=108:1:760424325215249> e-service webpage and make an electronic request for the Land Ownership Statement from the Register of Real Estate (or locate and visit the local Cadastral office and request a Land Ownership Statement from the Real Estate Register. Find local Cadastral offices at <https://www.cadastru.md/eservicii/>).
- 5) Submit the Land Purchasing Agreement, the Land Ownership Statement and the Outstanding Tax Debt certificate to a Notary Office for Land Purchase Agreement notarization.
- 6) Submit the notarized Land Purchase Agreement and the Land Geometric Plan (provided by the Mayor's Office) to the local Cadastral Office to register the ownership right.(40 MDL for each parcel of land)

## 3.2 Renting Land

Just like local investors, Foreigners are allowed to rent agricultural land in Moldova (Law Nr. 198-XV of 15.05.2003 on rent in agriculture) on the same basis as Moldovans. Over 780 thousands ha of agriculture use land were rented at the beginning of 2011 (nearly 39% of total agriculture use land). Rental agreement terms cannot exceed 30 years, whereas rental rates must be more than 2 % of the land's normative price, but not exceed 10% of the normative price for state ownership land.

### 3.2.1 Sign a Rental Agreement

- 1) Contact a notary office for a Land Rent Agreement template. Sign the rental agreement with the landlord.
- 2) Within fourteen days of signing, execute a Handover Agreement with the landlord (this agreement allows the tenant to exercise his rights over all agricultural goods located on the field).
- 3) Pay land taxes at the City Hall Tax Department (see Tax Registration and Payment below to learn more about real estate tax).
- 4) If the rental agreement term is less than three years:
  - a) Go to the City Hall Taxes Department and pay a minor registration fee (in the range of 10 MDL, varies by locality). Get a receipt.
  - b) Submit the original and two copies of the rental agreement, the registration receipt and a personal ID (Registration Certificate for companies) to the Mayor's office for registration.
- 5) If the rental agreement is more than three years:
  - a) Go to the local Cadastral Office and pay a registration fee (see GD Nr. 770 of 02.07.2007 on Cadastru State Enterprise and subsidiaries services fees, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=324492>). Get a receipt (find local Cadastral offices at <http://www.cadastru.md/eservicii/>).
  - b) Submit the original agreement and two copies of the rental agreement, the registration receipt and a personal ID (Registration Certificate for companies) to the local Cadastral office for registration.

## 3.3 Develop Your Site

Building produce storage facilities (cold stores, etc.) requires construction authorization. According to the World Bank Doing Business 2012 report, obtaining a construction permit took 27 procedures and 291 days in 2011. Note however, that the relevant regulations have recently been reformed and this should be quicker in 2012. There are three important documents that must be obtained by the investor in order to have his construction authorized: a Construction Design Certificate, Construction Project Documents and a Building Permit. According to Doing Business 2012, Moldova stands at 164 in the ranking of 183 global economies on the ease of dealing with construction permits. However, this ranking should increase in the coming year, as the law dealing with construction permits was revised just after the cut-off date for the latest Doing Business Report ranking.

Prior to begin construction works, the investor has to:

- 1) Visit <https://www.cadastru.md/eservicii/webinfo-es/f?p=108:1:760424325215249> e-service webpage and make an electronic request for the storage facility Land Ownership Statement from the Register of Real Estate (or locate and visit the local Cadastral Office and request the Land Extract from the Real Estate Register. Find local Cadastral Offices at <https://www.cadastru.md/eservicii/>).
- 2) Submit the Land Ownership Statement and personal ID to the District Architecture Department and request a Construction Design Certificate.
- 3) Submit the Land ownership statement and personal ID to District Architecture Department and request a Construction design certificate (locate district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)). Obtain the certificate within 20 days.
- 4) Contact a construction design company to elaborate the storage facility blueprints and design documents (find design companies at: <http://www.licentiere.gov.md/licentaresult.php?l=ro>).
- 5) Submit the project documents to the District Architecture Department for notification and probation, ask for an Acceptance Notice.
- 6) Submit the project documents to State Ecology Service local office (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), Public Health National Center (PHNC) local office (find local office at: <http://www.cnspl.md/info.php?id1=44&id2=0>), District Civil Protection and Emergencies Service (find district at: <http://www.dse.md/proj/>), receive inspections and obtain Acceptance Notices.
- 7) Submit the storage facility Land ownership statement to the Register of Real Estate, the Construction Design Certificate, the project design the documents, the Acceptance Notices to the Mayor's office and ask for a Building permit. Receive the Permit in within 10 days.
- 8) Register the Building Permit at the State Construction Inspection Service (locate at: <http://www.iscrm.md/conducerea-inspeciei>).
- 9) Start construction.
- 10) Connect utilities: electricity (download contract templates from: <http://www.gasnaturalfenosa.md/download/modele-contracte>, see how to connect electricity at: <http://www.gasnaturalfenosa.md/page/lista-dumentelor-necesare-pentru-semnarea-contractului>), gas (download contract template and see how to connect to gas distribution network at: <http://www.moldovagaz.md/menu/ro/consumers/legislation>).

## References

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- 1) Low Nr. 163 of 09.07.2010 on construction works authorization,  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=335823>

## Attention!

- 1) The cost for a Construction Design Certificate is 10 MDL + 0,01 MDL/m<sup>2</sup> for urban areas and 5MDL+0.005MDL/m<sup>2</sup> for rural areas. The Construction Design Certificate is issued within 10 days and is valid for 24 months.
- 2) A Building Permit is delivered within 10 days and costs between 4,000-20,000 MDL, depending on the value of construction.
- 3) Law Nr. 163 of 09.07.2010 on construction works authorization provides samples of the Construction Design Certificate, and Building Permit, see:  
<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=335823>).

## Where To Go

Institution	Contacts
State Enterprise "Cadastru"	47, Puşkin str., tel. 88-10-00, fax 22-55-62, e-mail: <a href="mailto:Info@cadastru.md">Info@cadastru.md</a> , find local offices at: <a href="http://www.cadastru.md/eservicii/">http://www.cadastru.md/eservicii/</a>
State Construction Inspection Service	9, Cosmonauţilor str., Chişinău, tel. 23-80-24, locate at: <a href="http://www.iscrm.md/conducerea-inspeciei">http://www.iscrm.md/conducerea-inspeciei</a>
State Agency "Apele Moldovei"	5, Gheorghe Tudor str., Chişinău, tel. 28-07-00, Fax: 28-08-22, e-mail: <a href="mailto:agentia_am@apele.gov.md">agentia_am@apele.gov.md</a> , <a href="http://apelemoldovei.gov.md">http://apelemoldovei.gov.md</a>
Public Health National Center	67/a, Gh. Asachi str., Tel. 574-501, Fax. 729-725, e-mail: <a href="mailto:cnspl@cnspl.md">cnspl@cnspl.md</a> , find local offices at: <a href="http://www.cnspl.md/info.php?id1=44&amp;id2=0">http://www.cnspl.md/info.php?id1=44&amp;id2=0</a>
District Civil Protection and Emergencies Service	75/3, Alba Iulia blvd., Chisinau, Tel. 71-92-04, Fax:75-34-10, find district offices at: <a href="http://www.dse.md/proj/">http://www.dse.md/proj/</a>
State Ecology Service	9, Cosmonautilor str., Chisinau, Tel. 22-69-41, Fax: 22-69-15, <a href="mailto:ies@mediu.gov.md">ies@mediu.gov.md</a> , find local offices at: <a href="http://inseco.gov.md/despre-inspectorat/">http://inseco.gov.md/despre-inspectorat/</a>
District Architecture Department	locate District Architecture Department in district public administration bodies at: <a href="http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/">http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/</a>
Construction design companies	find design companies at: <a href="http://www.licentiere.gov.md/licentaresult.php?l=ro">http://www.licentiere.gov.md/licentaresult.php?l=ro</a>
FCE "Gas Union Fenosa" JSC	4, A. Doga str., Chisinau, Tel.43-11-11. find local offices at: <a href="http://www.gasnaturalfenosa.md/page/telefoane-de-contact">http://www.gasnaturalfenosa.md/page/telefoane-de-contact</a>
"RED Nord" JSC	180-A, Stefan cel Mare blvd., Balti, Tel. 0231-53118, find local offices at: <a href="http://www.yollowpages.md/rom/rub/7770/8523/7772/energie-electrica/">http://www.yollowpages.md/rom/rub/7770/8523/7772/energie-electrica/</a>
"RED Nord-Vest" JSC	30, Stefan cel Mare blvd., Dondusei, Tel. 0251 22306, Fax. 0251 24279
Moldova-Gaz JSC	38, Albisoara str., Chisinau, <a href="http://www.moldovagz.md">http://www.moldovagz.md</a>

## 3.4 Mobilizing Financial Sources

Opportunities to access finance in agriculture have been constantly growing. The fourteen active Moldovan commercial banks act as agriculture's most important creditor. Banks usually credit agriculture businessman from their own sources and from **international donor program - credit lines programs** like:

- 1) Access to Agricultural Finance Activity (AAFA), which is providing financial and technical assistance to support post-harvest HVA related investments. This is part of the "Transition to High Value Agriculture Project" (Millennium Challenge Corporation, Compact Program, <http://www.mca.gov.md/>): the project aims to increase agricultural incomes by stimulating the production and improved marketing of high value fruit and vegetables. Under the project, Moldova's MCC Compact funding will repair up to 11 large irrigation systems servicing 15,500 hectares, providing water for high value fruits and vegetables as well as higher yielding grain production.
- 2) "Rural Financial Services and Agribusiness Development Project" (IFAD V, <http://www.ifad.md/>): this is the fifth project implemented by IFAD in Moldova and is designed to reduce income poverty among poor rural people by helping to establish competitive commodity value chains.
- 3) "Rural Investment and Services Project" (RISP II, <http://www.capmu.md/>): this is a World Bank sponsored project aiming at continuing to foster post-privatization growth in the agricultural and rural sectors, by improving access of farmers and rural entrepreneurs to knowledge, know-how and finance. The project is estimated at about 21 million USD.
- 4) "Wine sector restructuring program" (European Bank for Investments, find more at: <http://www.eib.org/projects/press/2010/2010-206-eib-supports-with-eur-150-million-wine-industry-and-road-infrastructure-in-moldova.htm>): the project worth 75 million EUR will address the structural weaknesses of the Moldovan wine industry, from vineyard to final packaging and dispatch of wine, or from Government supported programs like:
- 5) The Credit Line Directorate, a division of the Ministry of Finance that manages the revolving funds that were issued through all Government-backed program credit lines. The availability of funds can be checked here - <http://www.mf.gov.md/ro/istitutii/DLC/MijlDisp/>.
- 6) "Program on Attraction of Remittances in Economy PARE 1+1": the program is set to attract remittances from Moldovan migrants working abroad to the economy, by providing informative, consultative and administrative support in order to start businesses, as well as by co-financing their investments.
- 7) Economic Empowerment of Young People Program PNAET (find more at: <http://www.odimm.md/ro/pnaet/default.htm>): the program aims at developing young people (18-30 years old) entrepreneurial abilities and helping them launch or extend a private business in rural areas.

In 2010, commercial banks, together with micro-financing institutions have financed the agricultural sector with 3.2 billion lei. This tendency has resulted, on one side, in the constant reduction of credit costs and a growing demand for bank credits. Four banks account for nearly 80% of agriculture credits: BC Moldova AgroIndBank (906.8 million MDL, 40% of the total), BC MoldIndConBank (361.8 million MDL, 16%), BC Victoriabank (278.3 million MDL, 12%) and BC Banca Sociala (176.2 million MDL, 8%).

Presently, in order to gain access to local finance, investors should:

- 1) Study programs and partner banks credit offers (find banks contacts at: [http://www.bnm.md/md/list\\_licensed\\_banks\\_md](http://www.bnm.md/md/list_licensed_banks_md))

- 2) Learn about available international credit and co-financing programs in agriculture and find compatible programs (find more on local and international credit and co-financing programs in agriculture at: <http://businessportal.md/en/projects/finantare/>).
- 3) Find a business consultant and elaborate a Business Plan (find local business consultants at: <http://yellowpages.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/>).
- 4) Adjust your credit application to program implementation units' standards and apply for a credit.

### 3.4.1 Access to Subsidies and Insurance Services

In Moldova, subsidies are granted to agriculture businesses for specific support measures (see below GD Nr. 369 of 24.05.2011 on approval methods for use of subsidized funding for agricultural producers in 2011). The subsidies fund is managed by the Agency for Payments and Intervention in Agriculture which has 33 local offices. In 2011, the subsidy fund for the local producers reached nearly 400 million MDL and is increasing each year. Among the support measures, there is also an agriculture insurance subsidy, in an effort to attract agriculture businesses to benefit more from this fund.

In order to benefit from Government subsidies, agriculture businessmen must:

- 1) Check eligibility (see GD Nr. 369 of 24.05.2011 on Government subsidies, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=342071>
- 2) Request a subsidy application template from Agency for Payments and Intervention in Agriculture (APIA) local office (find local offices at: <http://www.aipa.md/index.php/office>).
- 3) Become a member of a relevant professional association in your business area and request a membership certificate from your professional association (see template at: Law Nr. 257-XVI of 27.07.2007 on agriculture products markets organization and operating, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=317187>).
- 4) Submit to APIA's local office Payment Authorization Department: subsidy application, company registration certificate, copies of proof of academic degrees, professional association membership certificate, bank account information, business plan for the upcoming 3 years, company financial report from the latest period, and Outstanding Tax Debt Certificate from local State Tax Service (find local office at: <http://www.fisc.md/ro/about/teritorial/>). Note, additional documents are needed for subsidizing protected vegetable cultivation (greenhouses), animal husbandry and post-harvest/processing infrastructure.)
- 5) Sign the Financial support agreement with APIA.
- 6) Receive the subsidy transfer from the Ministry of Finance.

The sector of agricultural insurances is under-developed, as only 5 % of the cultivated surfaces are presently insured. Out of 24 insurance companies in Moldova, only 2 companies provide agricultural insurance (see Attention! below).

In order to insure a plantation, investors must:

- 1) Register the cereals, vegetables and fruit trees plantation at the Mayor's office.
- 2) Sign an insurance contract with an insurance company.
- 3) In case of damage:
  - a) For cereals, vegetables and fruit trees plantation, make a damage claim to the insurance company and Mayor's office within 48 h after damage occurred.
  - b) For livestock, make a damage claim to the insurance company and local office of the Veterinary and Livestock Products Conformity Agency (find local offices at: <http://www.asv.gov.md/index.php?p=contacte>).
  - c) Sign an expert damage evaluation (elaborated by the insurance company).

- 4) The insurance company pays the damages within 10 days after the expert damage evaluation was signed.

## References

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- 1) GD Nr. 369 of 24.05.2011 on approving methods for use of subsidizing fund for agricultural producers in 2011, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=338638>
- 2) Law Nr.243-XV of 08.07.2004 on subsidized insurance of production risks in agriculture, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313052>
- 3) Law Nr. 257-XVI of 27.07.2007 on organization and operating of agriculture product markets, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=317187>
- 4) Law Nr. 243 of 08.07.2004 on subsidized agriculture risks insurance, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313052>

## Attention!

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- 1) The Agriculture Subsidy Fund in 2012 was raised to 400 million MDL (see GD Nr. 369 of 24.05.2011 on approving methods for use of subsidizing fund for agricultural producers in 2011 to see fund application directions).
- 2) Currently, only 2 insurance companies out of 24 provide agriculture insurance services: Moldasig (find more about Moldasig at: <http://moldasig.md/>) and Moldcargo (find more about Moldcargo at: <http://moldcargo.md/>). The Government subsidizes around 40- 60% of insurance premiums, depending on what is insured (see Law Nr. 243 of 08.07.2004 on subsidized agriculture risks insurance, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=313052>).

## Where To Go

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Institution	Contacts
Commercial banks	<a href="http://www.bnm.md/md/list_licensed_banks_md">http://www.bnm.md/md/list_licensed_banks_md</a>
Donor and Government supported programs in agriculture	<a href="http://businessportal.md/en/projects/finantare/">http://businessportal.md/en/projects/finantare/</a>
Business consultants	<a href="http://yellowpages.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/">http://yellowpages.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/</a>
Insurance companies	<a href="http://www.asigurare.md/ro/content/105/">http://www.asigurare.md/ro/content/105/</a>
Moldasig (insurance company)	2, M. Eminescu str., Chisinau, Tel: 23-81-61, 21-22-22, Fax. 23-83-46, E-mail: <a href="mailto:moldasig@dnt">moldasig@dnt</a> . Agriculture insurance department: Tel. 20-47-61, 23-81-61, e-mail: <a href="mailto:Lungu.V@moldasig.md">Lungu.V@moldasig.md</a> . find local offices at: <a href="http://moldasig.md/index.php?cid=162">http://moldasig.md/index.php?cid=162</a>
Moldcargo (insurance company)	97, V. Alecsandri str., Chisinau. Tel. 27-92-93, 27-90-96, Fax. 27-92-93. Agriculture insurance department: tel. 22-59-54. find local offices at: <a href="http://moldcargo.md/contacte.html">http://moldcargo.md/contacte.html</a>
Agency for payments and intervention in agriculture	162 Ștefancel Mare blvd., Chișinău, Tel. 22-38-80, 21-01-94. find local offices at: <a href="http://www.aipa.md/index.php/office">http://www.aipa.md/index.php/office</a>
Veterinary and Livestock Products Conformity Agency	162 Ștefancel Mare blvd., Chișinău, Tel/fax: + 373 210157 e-mail: <a href="mailto:asv@maia.gov.md">asv@maia.gov.md</a> , find local offices at: <a href="http://www.asv.gov.md/index.php?p=contacte">http://www.asv.gov.md/index.php?p=contacte</a>

## 3.5 Irrigation

In Moldova, irrigation relies on the use of surface water (rivers, lakes and ponds). Because of generally low quality drinking water, groundwater is a strategic resource and according to State Ecologic Service, irrigation from groundwater (i.e. water wells) is forbidden. The problem of good quality water access has pushed the Government to encourage cooperative irrigation through Water Users Association (WUA), which makes irrigation more affordable. The rehabilitation of soviet-era centralized irrigation infrastructure along Nistru and Prut Border Rivers through international donor projects (e.g. Millennium Challenge COMPACT) is perceived as a long term solution for making irrigation less critical for agriculture businesses. Presently, according to the new Law on Water, farmers can irrigate from surface water only after receiving the authorization for special use of water. The cost of water depends how far or close is the irrigated plot of land from the water pump station and the altitude at which water must be pumped. The cost typically ranges from two to four lei per one cubic meter of water.

### 3.5.1 Obtain Irrigation Authorization

- 1) Make calculation of necessary volumes of water.
- 2) Submit water need calculations to “Apele Moldovei” State Agency (<http://apelemoldovei.gov.md>). Receive an Acceptance NoticeAcceptance.
- 3) SubmitSubmit water samples to Public Health National Center (PHNC) local office (find local office at: <http://www.cnspl.md/info.php?id1=44&id2=0>). Receive an Acceptance NoticeAcceptance.
- 4) Submit “Apele Moldovei” and PHNC Acceptance notices to State Ecology Service local office (find local offices at: <http://inseco.gov.md/despre-inspectorat/>) and apply for an authorization for special use of water (valid for 3 years). Receive the authorization for special use of water in no longer than 10 days.

## References

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- 1) Law on Water (to be published in the near future).

## Where To Go

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Institution	Contacts
State Agency “Apele Moldovei”	5, Gheorghe Tudor str., Chişinău, tel. 28-07-00, Fax: 28-08-22, e-mail: <a href="mailto:agentia_am@apele.gov.md">agentia_am@apele.gov.md</a> , <a href="http://apelemoldovei.gov.md">http://apelemoldovei.gov.md</a>
Public Health National Center	67/a, Gh. Asachi str., Tel. 574-501, Fax. 729-725, e-mail: <a href="mailto:cnspl@cnspl.md">cnspl@cnspl.md</a> , find local offices at: <a href="http://www.cnspl.md/info.php?id1=44&amp;id2=0">http://www.cnspl.md/info.php?id1=44&amp;id2=0</a>
State Ecology Service	9, Cosmonautilor str., Chisinau, Tel. 22-69-41, Fax: 22-69-15, <a href="mailto:ies@mediu.gov.md">ies@mediu.gov.md</a> , find local offices at: <a href="http://inseco.gov.md/despre-inspectorat/">http://inseco.gov.md/despre-inspectorat/</a>

## 3.6 Cold Storage Facilities

Presently, there are over 100 functional agriculture cold storage facilities nationwide with a capacity of nearly 80,000 tons. Experts estimate this storage capacity is only 10% of what is necessary. Apples account for over 80% of stored products. Cold storage facilities can be built for both construction use and agriculture land use. Nevertheless, because only few localities have a City Planning (see example of Chisinau City Planning at <http://www.chisinau.md/doc.php?l=ro&idc=501&id=1004>), most cold storage facilities are built within localities' built-up areas (on construction use land), which is negative in terms of locating the storage facilities near the fields.

Building a cold store facility is similar to building a production facility and it relies on obtaining a Building permit (see Develop Your Site above).

# 4. OPERATING

## 4.1 Access to Seeds and Planting Material

In Moldova, only registered varieties of seeds and planting material can be used in agriculture. All these are summarized in Moldova's Register of Plant Varieties (RPV), <http://www.maia.gov.md/doc.php?l=ro&idc=77&id=13996>). Seeds and planting material that are not in the RPV have to undergo registration prior to being utilized in agriculture. Registration is performed by Moldova's Plant Testing State Commission after tests are conducted over a period of one to two years for one year crops and three to five years for grape and fruit varieties.

The local market of seeds and planting material is generally well supplied (local suppliers/distributors can be found at [http://yellowpages.md/rom/search\\_rub/seminte/8727/seminte/](http://yellowpages.md/rom/search_rub/seminte/8727/seminte/), [http://yellowpages.md/rom/search\\_rub/rasad/8068/rasaduri-de-legume/](http://yellowpages.md/rom/search_rub/rasad/8068/rasaduri-de-legume/)). In 2010, it consisted of over 150 local producers and over 250 importers (distributors).

Aside from the local products, investors also have the option to personally import seeds and planting material.

### 4.1.1 Import Seeds and Planting Material

- 1) Imports have a decreasing but still consistent impact on local seeds and planting material. The vegetable seed market is mostly dependent on imports, as the supply comes from 15 local producers and nearly 200 importers. However, local producers of horticultural planting material (over 100) exceed largely horticultural planting material importers (nearly 40 importers). Prior to importing, all importers must have their storage facilities inspected by phytosanitary surveillance bodies. In order to import seeds and planting materials:
- 2) Prepare a storage facility and apply for an inspection of local office of General Inspectorate of Phytosanitary Surveillance and Seeds Control and apply for a Phytosanitary Certification of the storing facility (locate district division of General Inspectorate of Phytosanitary Surveillance and Seeds Controlling district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)). Obtain an Inspection statement.
- 3) Sign an Import contract with a foreign supplier and request a Phytosanitary Certificate from the supplier.
- 4) At least 10 days prior to import, submit the following documents to the local office of General Inspectorate of Phytosanitary Surveillance and Seeds Control: phytosanitary certificate application, copy of import contract, storage facility Inspection Statement and Import Phytosanitary Certificate receipt. Receive your Import Phytosanitary Certificate within maximum 10 days (see tariffs at: <http://lex.justice.md/md/336925/>, Annex 2).
- 5) Submit Import contract, Phytosanitary Certificate and Import Phytosanitary Certificate to customs authorities, pay customs tariffs and fees (see import tariffs at: <http://www.customs.gov.md/index.php?id=16> and customs fees at: <http://www.customs.gov.md/index.php?id=20>).

## 4.1.2 Register new varieties of seeds and planting material

Businesses that want to use planting material that is not registered in Moldova's Register of plant varieties have the option of registering it themselves, although this process does require considerable time and expense. In order to register a new seed or plant material, the investor should:

- 1) Apply for seeds or planting material samples import authorization from the Plant Varieties Testing State Commission (162, Stefan cel Mare blvd., Chisinau, Tel.22-03-00, Fax.21-15-37).
- 2) Import samples of new seeds and plant material (Request a Phytosanitary Certificate from the foreign supplier).
- 3) Prepare a planting material description.
- 4) Make four pictures of the planting material (seeds and mature plants).
- 5) Request a planting material registration application and a technical questionnaire from the Plant Varieties Testing State Commission. Fill in the contents.
- 6) Submit planting material samples, planting material description, technical questionnaire, four pictures of the planting material to Plant Testing State Commission. Pay registration fee (see fees at: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296789>).
- 7) Receive the Registration certificate from the Plant Varieties National Council (162, Stefan cel Mare blvd., Chisinau, Tel.22-03-00, Fax.21-15-37).

## References

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- 1) Law Nr. 228 of 23.09.2010 on plant protection and phytosanitary quarantine, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=336925>
- 2) Law Nr. 728-XIII of 06.02.1996 on fruit trees, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311717>
- 3) Law Nr. 659-XIV of 29.10.1999 on seeds, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311710>
- 4) Law Nr. 755 of 21.12.2001 on biologic security, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312871>
- 5) Law Nr. 186 of 24.04.2003 regarding product conformity evaluation, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312168>
- 6) Law Nr. 57-XVI of 10.03.2006 on vineyards and wine, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=316207>
- 7) Law Nr. 39-XVI on 29.02.2008 on plant protection, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=328050>
- 8) GD 774 of 13.08.97 on taxes for intellectual property protection services, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296789>.

## Attention!

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- 1) The testing process for vegetable seeds and planting material generally lasts for two years.
- 2) Fruit trees and vine planting material are tested for 3-7 years.
- 3) The testing process evaluates the economic as well as the agronomic viability and phytosanitary risks of the material.

# Where To Go

Institution	Contacts
General Inspectorate of Phytosanitary Surveillance and Seeds Control	162, Stefan cel Mare blvd., Chisinau, Tel. 21-05-36
Chisinau Phytosanitary Quarantine Department	100B, Ialoveni str., Chişinău, tel. 28-44-42
Plant Varieties Testing State Commission, Plant Varieties National Council	162, Stefan cel Mare Blvd., Chisinau, Tel.22-03-00, Fax.21-15-37

## 4.2 Access to Plant Protection Products

In Moldova, only registered types of plant protection products (phytosanitary products and fertilizers) can legally be used in agriculture. All registered products are summarized in Moldova's Register of Plant Protection Products (RPPP, see it at: <http://pesticide-md.com/registrul/>). The importation, wholesale distribution, and retail sale of phytosanitary products and fertilizers are licensed activities. About 345 companies were engaged in this type of activity in 2011 (see plant protection products importers and distributors at: <http://www.licentiere.gov.md/licentaresult.php?l=ro>).

### 4.2.1 Buy Plant Protection Products from Local Distributors

In order to properly comply with local regulations, the following steps should be followed in the process of procuring plant protection products locally:

- 1) Find a local office of Public Health National Center (PHNC) and apply for Storage Authorization (find local office at: <http://www.cnspl.md/info.php?id1=44&id2=0>).
- 2) Submit the Storage Authorization to the local office of General Inspectorate of Phytosanitary Surveillance and Seeds Control (locate District division of General Inspectorate of Phytosanitary Surveillance and Seeds Control in district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)), State Ecology Service (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), District Civil Protection and Emergencies Service (find district at: <http://www.dse.md/proj/>) and receive Acceptance Notices.
- 3) Find local suppliers at: <http://www.licentiere.gov.md/licentaresult.php?l=ro>.
- 4) Buy Phytosanitary products and fertilizers, request a Phytosanitary Certificate with each.

### 4.2.2 Import Plant Protection Products

The domestic plant protection product market is mainly made up of imports. Statistics show that about 490,000 tons of plant protection products have been imported in 2010, out of which mineral nitrogen fertilizers account for nearly 99%. Because plant protection products are imported, wholesale and retail are licensed activities. Investors planning to import these products have to accordingly be licensed (see licensed activities in Moldova at: <http://licentiere.gov.md/pageview.php?l=ro&idc=22&nod=1&>).

In order to proceed with importation of plant protection materials, the investor must:

- 1) Submit the company Registration Certificate, Ownership Statement from the Register of Real Estate (where the activity shall be performed), copies of employees' graduation diplomas showing that the

employees have specific education in the field of plant protection products (see conditions to obtain and extend the term of the license:

<http://www.licentiere.gov.md/public/files/Ghid/Conditii%20%20de%20licentiere/14.pdf>).

- 2) Find a local office of the Public Health National Center (PHNC) and apply for an inspection. Receive a Storage Authorization (find local office at: <http://www.cnspl.md/info.php?id1=44&id2=0>).
- 3) Submit the Storing Authorization to the local office of Phytosanitary Surveillance and Seeds Control General Service (locate District division of Phytosanitary Surveillance and Seeds Control General Service in district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)), the State Ecology Service (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), and to the District Civil Protection and Emergencies Service (find district at: <http://www.dse.md/proj/>) and receive Acceptance Notices.
- 4) Sign an import agreement with a foreign supplier and request a Phytosanitary Certificate from the supplier.
- 5) Submit Import License, import contract, and Phytosanitary Certificate to customs authorities, pay customs tariffs and fees (see import tariffs at: <http://www.customs.gov.md/index.php?id=16> and customs fees at: <http://www.customs.gov.md/index.php?id=20>).

## 4.2.3 Register New Types of Plant Protection Products

Businesses that want to use plant protection products that are not registered in Moldova's RPPP are required to register those new products there. In order to comply with this standard, the investor should:

- 1) Apply for plant protection product samples import authorization from the State Centre for approval of phytosanitary (plant protection) products (SCAPP, 16A, Sarmisegetuza str., Chişinău, Tel. 55-26-73, Fax. 63-90-30).
- 2) Import samples of new plant protection products (request the product's phytosanitary certificate and toxicological file from the foreign supplier).
- 3) Submit imported samples and the toxicological file to SCAPP or subordinate institutions (find subordinated institutions at: <http://pesticide-md.com/institutes/>) and apply for phytosanitary product registration.
- 4) Sign a collaboration agreement with SCAPP and pay the registration fee (see fees in Annex to GD Nr.200 of 27.03.1995, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295944>)).
- 5) Receive the registration certificate from the Republican Interdepartmental Council for Approval of Phytosanitary (plant protection) Products (find contacts at: <http://www.pesticide-md.com/contacts/>).

## References

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- 1) Law Nr. 119 of 22.06.2004 on phytosanitary products and fertilizers, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312742>
- 2) GD Nr. 1045 of 05.10.2005 on Regulation regarding import, storage, trade and use of the phytosanitary products and fertilizers, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295628>
- 3) GD Nr. 1307 of 12.12.2005 on regulation regarding the approval of phytosanitary products and fertilizers, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=298727>
- 4) GD Nr. 200 of 27.03.1995 on regulation regarding tariffs for plant protection products research-testing-experimenting, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295944>.

# Where To Go

Institution	Contacts
Public Health National Center	67/a, Gh. Asachi str., Chişinău, Tel. 574-501, Fax: 729-725, E-mail: <a href="mailto:censp@censp.md">censp@censp.md</a> , find local office at: <a href="http://www.censp.md/info.php?id1=44&amp;id2=0">http://www.censp.md/info.php?id1=44&amp;id2=0</a>
General Inspectorate of Phytosanitary Surveillance and Seeds Control	162, Stefan cel Mare blvd., Chisinau, Tel. 21-05-36, locate District division of General Inspectorate of Phytosanitary Surveillance and Seeds Controlling district public administration bodies at: <a href="http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/">http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/</a>
District Civil Protection and Emergencies Service	75/3, Alba Iulia blvd., Chisinau, Tel. 71-92-04, Fax: 75-34-10, find district offices at: <a href="http://www.dse.md/proj/">http://www.dse.md/proj/</a>
State Ecology Service	9, Cosmonutilor str., Chisinau, Tel. 22-69-41, Fax: 22-69-15, <a href="mailto:ies@mediu.gov.md">ies@mediu.gov.md</a> , find local offices at: <a href="http://inseco.gov.md/despre-inspectorat/">http://inseco.gov.md/despre-inspectorat/</a>
State Centre for approval of phytosanitary (plant protection) products	16A, Sarmisegetuza str., Chişinău, Tel. 55-26-73, Fax. 63-90-30. <a href="http://pesticide-md.com/">http://pesticide-md.com/</a>
Republican Interdepartmental Council for approval of phytosanitary (plant protection) products	find contacts at: <a href="http://www.pesticide-md.com/contacts/">http://www.pesticide-md.com/contacts/</a>
Plant protection products suppliers	<a href="http://www.licentiere.gov.md/licentaresult.php?l=ro">http://www.licentiere.gov.md/licentaresult.php?l=ro</a>

## 4.3 Tax Registration and Payment

In Moldova, businesses pay taxes from their corporate bank account to special treasury accounts which are provided at the moment of company registration (by the Tax Service, the National Office of Social Insurance, and the National Health Insurance Company). There are several steps in processing tax payments. A good first step is to get familiar with the Moldova tax system (see the Fiscal Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>). There are four major groups of taxes:

- 1) General taxes (Income tax, Value-added tax, Excise tax, Public Property Privatization tax, Customs duties, Road taxes),
- 2) Local taxes (Real estate tax, Tax on Natural Resources, Land Improvement Tax, Auctions and Lottery Tax, Advertising tax, Tax On Local Symbols Application, Tax On Social Services Entities, Market Tax, Housing Tax, Recreational Tax, Tax on Road Transportation of People, Parking Tax, Dog Owners Tax, Tax for Near-Border Localities Improvement), and
- 3) Social and
- 4) Health insurance contributions.

### 4.3.1 Pay Taxes

Special treasury accounts are provided to each company at the moment of registration. Taxes are payable electronically, through bank transfer to designated accounts via commercial banks' client-bank internet applications (made available by each commercial bank on its website). Some banks provide free technical assistance if a specific application must be installed on client's computer.

Generally, paying taxes begins with requesting updated information from the local Tax Service office (locate local offices at: <http://www.fisc.md/ro/about/teritorial/>) about latest modifications on tax rates and to which account taxes must be transferred (get online help at: <https://servicii.fisc.md/Companies.aspx>). For general taxes, there is also a taxpayer tax calendar available showing when tax reports must be submitted (<https://servicii.fisc.md/Calendar.aspx>).

To pay general taxes, the investor should:

- 1) Log in to bank's client-bank application, authorize the transfer and electronically transfer the taxes.
- 2) Download Tax report templates (<http://www.fisc.md/ro/links/formulare/>), fill in the contents and submit it to your local Tax Service office.

Presently, taxpayers in Chisinau have the option of submitting tax reports electronically, through the State Tax service online portal (<https://servicii.fisc.md/Default.aspx>). To do this, taxpayers must register as user, submit a digital signature application and ultimately receive the digital signature. The service will be extended to all Moldova taxpayers in the near future.

## References

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- 1) Fiscal Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>.
- 2) Law Nr. 54 of 31.03.2011 on social insurance budget in 2011, <http://www.cnas.md/libview.php?l=ro&idc=183&id=1592>.
- 3) Law Nr. 55 of 31.03.2011 on health insurance budget in 2011, <http://cnam.md/?page=36>.

## Attention!

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- 1) Starting with 01.01.2012, the income tax for legal persons was reinstated (at 12%).
- 2) A general 4% tax on small and medium sized companies' revenues was instated and shall replace all active corporate taxes for small and medium sized companies starting from 01.01.2012.

## Where To Go

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Institution	Contacts
State Tax Service	9, Cosmonautilor str., Chisinau, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: <a href="mailto:mail@fisc.md">mail@fisc.md</a> . find local offices at: <a href="http://www.fisc.md/ro/about/teritorial/">http://www.fisc.md/ro/about/teritorial/</a>
National Office of Social Insurance of Moldova	3, Gh. Tudor Str., Chisinau, Tel. 28-61-15, e-mail: <a href="mailto:info@cnas.gov.md">info@cnas.gov.md</a> . find local offices at: <a href="http://www.cnas.md/regionmap.php?l=ro&amp;idc=175&amp;">http://www.cnas.md/regionmap.php?l=ro&amp;idc=175&amp;</a>
National Health Insurance Company	12, Grigore Vieru str., Chisinau, Tel. 59-37-91, Fax. 22-61-84 e-mail: <a href="mailto:info@cnam.md">info@cnam.md</a> , find local offices at: <a href="http://cnam.md/?page=21">http://cnam.md/?page=21</a>

## 4.4 Export Operations

Before engaging in export operations, exporters must consider the following international engagements:

- 1) Since 26.07.2001, Moldova is a World Trade Organization member. Accordingly, it applies all WTO clauses, including the clause of the most favored nation.
- 2) The EU27 has granted Moldova a preferential trade regime (Autonomous Trade Preferences agreement), according to which exports from Moldova are exempted from quantity restrictions and customs duties, excepting a limited list of products under quantity restrictions (meat, dairy products, eggs, corn, sugar, wine, barley and wheat).
- 3) Moldova has signed 9 bilateral free trade agreements with CIS countries: Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russia, Ukraine, Uzbekistan, and Tajikistan. Under the agreements, exports from/to Moldova are exempted from customs duties.
- 4) Moldova is a member of Central European Free Trade Agreement (including Albania, Bosnia and Herzegovina, Croatia, Macedonia, Serbia, Montenegro and UNMIK Kosovo). Under the agreement, trade between members is exempted from quantity restrictions but customs duties are applied.

In order to export, follow these steps:

- 1) Submit copies of company registration certificate, tax identification number assignment certificate and a registration application to local Customs Service bureau (find local Customs Service offices at: <http://www.customs.gov.md/index.php?id=44>) and register as exporter.
- 2) Sign a sales contract with a foreign client.
- 3) Find a certification company and perform a Product Conformity Certification (find companies at: [http://www.acreditare.md/admin/upload/Registru\\_OEC\\_acreditate\\_16.11.2011.pdf](http://www.acreditare.md/admin/upload/Registru_OEC_acreditate_16.11.2011.pdf)). Request a Product Conformity Certificate.
- 4) For exports to UE27, CEFTA and Commonwealth of Independent States countries, request a Certificate of Origin from Customs Service local office: type “A”, “CT-1”, “EUR.1” certificates of origin (see Annex 2 of Customs Tariff to learn about Certificate of Origin issuance fees: <http://www.customs.gov.md/index.php?id=987>). For export to other countries, request a Certificate of Origin from Trade and Industry Chamber of Moldova local office (type “C” non-preferential certificate of origin, find Trade and Industry Chamber local offices at: [http://www.chamber.md/index.php?option=com\\_content&view=category&layout=blog&id=76&Itemid=240&lang=ro](http://www.chamber.md/index.php?option=com_content&view=category&layout=blog&id=76&Itemid=240&lang=ro)).
- 5) At least 24 hours prior to export, apply to the local office of General Inspectorate of Phytosanitary Surveillance and Seeds Control (locate District office of General Inspectorate of Phytosanitary Surveillance and Seeds Control in district public administration bodies at: [http://yellowpages.md/rom/search\\_rub/primaria/7711/autoritatile-locale/](http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/)) for a Phytosanitary Certificate and submit: sales contract and invoice copies, certificate of origin, import permit from destination country (this procedure refers to unprocessed agriculture products).
- 6) Find a customs broker to perform goods customs declaration (find customs brokers at: <http://www.licentiere.gov.md/licentaresult.php?l=ro>).
- 7) Submit copies of company founding documents, sales contract, invoice, phytosanitary certificate to local office of Customs Service. Pay customs fees (see customs fees at: <http://www.customs.gov.md/index.php?id=20>).
- 8) Submit to local office of Tax Service (find local offices of Tax Service at: <http://www.fisc.md/ro/about/teritorial/>) in order to apply for a VAT refund: VAT declaration (see <http://www.fisc.md/ro/links/formulare/tva/> to download the template and find completion guidelines), the procurements and deliveries register (states company’s domestic and foreign procurements and

deliveries; is completed by accountability software when invoices are accounted, see for reference: <http://www.fisc.md/ro/baza/TVA/evidenta/>), export contract, export contract invoice, export customs declaration, copy of international transport documentation. According to local regulations, VAT refunds should be made within 45 days of submission.

## References

- 1) Fiscal Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>
- 2) Customs code, <http://www.customs.gov.md/index.php?id=11>.
- 3) Customs tariff, <http://www.customs.gov.md/index.php?id=11>.
- 4) Law Nr. 228 of 23.09.2010 on plant protection and phytosanitary quarantine, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=336925>.
- 5) GD Nr. 1599 of 13.12.2002 of goods rules of origin, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=299658>.
- 6) Law Nr. 186 of 24.04.2003 on products conformity evaluation, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312168>

## Where To Go

Institution	Contacts
Customs Service	30, Columna str., Chisinau, Tel. 57-41-82, Fax. 27-30-61, E-mail: <a href="mailto:vama@customs.gov.md">vama@customs.gov.md</a> . find local offices at: <a href="http://www.customs.gov.md/index.php?id=44">http://www.customs.gov.md/index.php?id=44</a>
General Inspectorate of Phytosanitary Surveillance and Seeds Control	162, Stefan cel Mare blvd., Chisinau, Tel. 21-05-36, locate District division of General Inspectorate of Phytosanitary Surveillance and Seeds Control in district public administration bodies at: <a href="http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/">http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/</a>
State Tax Service	9, Cosmonautilor str., Chisinau, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: <a href="mailto:mail@fisc.md">mail@fisc.md</a> . find local offices at: <a href="http://www.fisc.md/ro/about/teritorial/">http://www.fisc.md/ro/about/teritorial/</a>
Product conformity certification companies	Find at: <a href="http://www.acreditare.md/admin/upload/Registru_OEC_acreditate_16.11.2011.pdf">http://www.acreditare.md/admin/upload/Registru_OEC_acreditate_16.11.2011.pdf</a>
Customs brokers	Find at: <a href="http://www.licentiere.gov.md/licentaresult.php?l=ro">http://www.licentiere.gov.md/licentaresult.php?l=ro</a>

## 4.5 Repatriation of Funds

Investors can legally repatriate the following types of funds from Moldova:

- 1) Profits, interests, dividends and other operational incomes;
- 2) Sums received on agreement basis, including loan repayments (principle and interest);
- 3) Royalties and other sums obtained from intellectual property rights;
- 4) Compensations established by Moldovan legislation;
- 5) Sums paid as a result of a dispute resolution;
- 6) Wages and honorariums;
- 7) Sums or property from foreign companies' liquidation.

Investors can also repatriate cash less than 50,000 EUR. For cash between 10,000 – 50,000 EUR, the investor needs to request a cash repatriation authorization from the Moldova National Bank or other commercial bank by following these steps:

- 1) See Annex 1 to National Bank Decision Nr. 14 of 22.01.2009 on regulating cash repatriation authorization (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=331072>) and extract a cash repatriation authorization application. Fill in the contents.
- 2) Residents must:
  - a) Address the local office of Tax Service and request an outstanding tax debt certificate (find local STI offices at: <http://www.fisc.md/ro/about/teritorial/>)
  - b) Submit the cash repatriation authorization application, passport, documents certifying the cash ownership and source (purchase agreements, inheritance certificate etc.), outstanding tax debt certificate to National Bank Currency control department or commercial bank's currency control department and receive a cash repatriation authorization.
- 3) Non-residents must:
  - a) Submit cash repatriation authorization application, passport, documents certifying the cash ownership and source (purchase agreements, inheritance certificate etc.), source (purchase agreements, inheritance certificate etc.), and outstanding tax debt certificate to the National Bank Currency Control Department or a commercial bank's currency control department and receive a cash repatriation authorization.

## References

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- 1) Law Nr.1466-XIII of 29.01.98 on regulation of repatriation of financial resources, merchandise and services resulting from external operations, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311599>
- 2) National Bank Decision Nr. 14 of 22.01.2009 on regulating cash repatriation authorization, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=331072>
- 3) Law Nr. 81 of 18.03.2004 on investments in entrepreneurial activity, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312880>
- 4) Law nr.62–XVI of 21.03.2008 on currency regulation, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=328534>
- 5) Fiscal Code, <http://www.fisc.md/ro/lege/fiscrm/>
- 6) Law Nr. 1569-XV of 20.12.2002 on admission and withdraw of goods from Republic of Moldova by individuals, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312785>

## Attention!

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- 1) Repatriation of cash equivalent of less than 10,000 EUR needs no confirmative authorization.
- 2) Investors are requested to repatriate cash and goods resulting from export/import operations within one year (compared to 18 months for fruit trees and vine planting material import/export). There are no set limits on how often transfers can be made.
- 3) Funds repatriation is closely supervised by Customs Service and Center for Combating Economic Crimes and Corruption of Moldova (<http://www.cccec.md>). The failure to obey sanctions may result in suspension of investor's outstanding international payments and export transactions.

# Where To Go

Institution	Contacts
National Bank of Moldova	1, Grigore Vieru blvd., Chisinau. Tel. 40-91-01; <a href="http://www.bnm.md">http://www.bnm.md</a>
Commercial banks	<a href="http://www.bnm.md/md/list_licensed_banks_md">http://www.bnm.md/md/list_licensed_banks_md</a>
State Tax Service	9, Cosmonautilor str., Chisinau, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: <a href="mailto:mail@fisc.md">mail@fisc.md</a> . find local offices at: <a href="http://www.fisc.md/ro/about/teritorial/">http://www.fisc.md/ro/about/teritorial/</a>

## 4.6 Operating Facilities in Free Economic Zones (FEZ)

Free economic zones (FEZs) are part of Moldova Government strategy of a focused investments attraction project. Nowadays, there are 7 FEZs, located all over the country regions, and an international free port and airport, which are similar to free economic zones. Under international financial obligations, Moldova Government shall refrain from creating new free economic zones.

FEZs offer investors the opportunity to reduce investment risks and a more simple access to the EU and CIS markets. There were 159 residents in 7 free economic zones, and as of 1 January 2011 the number of employees reached 5,177 persons. Over 128 million USD have been invested in Moldova's FEZs, and they generated over 1.7 billion MDL in sales in 2010 (80% was from industrial production).

Agriculture businesses could be interested in locating post-harvest processing, sorting, packaging and storing facilities in FEZs and, respectively, benefit from a number of incentives:

Incentive	Conditions
VAT	0%
Excise	0%
Corporate income tax	0%
Customs duties on exported an imported goods	0%
Infrastructure	Available
Operational period	25-30 years
Rent opportunities	Land for construction
Activities	<ol style="list-style-type: none"> <li>1. Production of goods for export (excepting ethyl alcohol, alcohol and tobacco production)</li> <li>2. Sorting, packing, marking and other similar operations</li> <li>3. Other auxiliary types of activity, such as public service, warehousing activity, constructions, catering, etc.</li> </ol>

Note: Corporate income tax 0% is not for all residents, but only for:

- a) Residents making investments of more than \$ 1 million, applied only to income originating from the exports of goods and services, and only for a period of up to 3 years;
- b) Residents making investments of more than \$ 5 million, applied only to income originating from the exports of goods and services and only for a period of up to 5 years;

## 4.6.1 Becoming a FEZ resident

In order to become a FEZ resident:

- 1) Check if you meet these eligibility requirements:
  - a) Has a registered business in Moldova,
  - b) Is not under insolvency procedure,
  - c) Does not have outstanding tax debts to the state budget.
- 2) Request a resident application from FEZ administrations (learn more about FEZ and find contacts at: [http://www.miepo.md/public/files/Publicatii/FeZ2010\\_FINAL.pdf](http://www.miepo.md/public/files/Publicatii/FeZ2010_FINAL.pdf)).
- 3) Pay the resident bid application fee (established by each FEZ administration). Request a receipt.
- 4) Submit to FEZ administration: resident application, resident application receipt, copies of company registration certificate, a three year business plan, agreement to make contributions to FEZ infrastructure improvement.
- 5) Expect the decision from resident admission commission to be made public (observe commission membership in Art. 5-10 of GD Nr. 686 of 30.05.2002 on regulating FEZ resident admission, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296656>).
- 6) In case of positive decision, sign a FEZ resident agreement with FEZ administration within 30 days.

## References

- 1) The Law Nr. 440 of 27.07.2001 on free economic zones, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=312827>.
- 2) GD Nr. 686 of 30.05. 2002 on approving the regulation regarding the contests for selecting the participants of Free Economic Zones, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296656>.
- 3) Fiscal Code, <http://www.fisc.md/ro/lege/fiscrm/>.

## Where To Go

Institution	Contacts
Giurgiulesti International Free Port	Giurgiulesti, Cahul district, Tel. 29-34-91, Fax. 29-28-55, E-mail: <a href="mailto:dileonardo@danlog.md">dileonardo@danlog.md</a> , <a href="http://www.gifp.md">http://www.gifp.md</a>
Marculesti International Free Port	Marculesti, Floresti district, Tel./Fax: 23-42-99, E-mail: <a href="mailto:aim.mail@airportmarculesti.com">aim.mail@airportmarculesti.com</a> , <a href="http://www.airportmarculesti.com">http://www.airportmarculesti.com</a>
Free Enterprise Zone Expo-Business-Chisinau	Chisinau, Tel.: 41-41-30, 414 140; Fax: 41-41-38; E-mail: <a href="mailto:admin@moldova-freezone.md">admin@moldova-freezone.md</a> , <a href="mailto:freezone1@list.ru">freezone1@list.ru</a> , <a href="http://www.moldova-freezone.md">http://www.moldova-freezone.md</a>
Free Economic Zone Ungheni-Business	Ungheni, Tel.: 236-20184, Fax: 236-20184, E-mail: <a href="mailto:office@freezone-ungheni.md">office@freezone-ungheni.md</a> , <a href="http://www.freezone-ungheni.md">http://www.freezone-ungheni.md</a>
Free Entrepreneurial Zone Production Park Otaci-Business	Otaci, Ocnita district, Tel: 271-94626, E-mail: <a href="mailto:otaci-business@rambler.ru">otaci-business@rambler.ru</a>
Free Entrepreneurial Zone Tvardita	Tvardita, Taraclia, Tel. 069371840, 291-63454
Free Entrepreneurial Zone Production Park Taraclia	Taraclia, Tel.: 294-24483, 69 602 025, Fax: 29424483, E-mail: <a href="mailto:zal_pp_taraclia@mail.md">zal_pp_taraclia@mail.md</a>
Free Entrepreneurial Zone Production Park Valkanes	Vulcanesti district, Tel.: 293-23980, Fax: 29322568, E-mail: <a href="mailto:levlora@rambler.ru">levlora@rambler.ru</a>
Free Economic Zone Balti	Balti, Tel.: 231-53454, Fax: 231-53461, E-mail: <a href="mailto:ciobanu.marin@zelb.md">ciobanu.marin@zelb.md</a> <a href="mailto:office@zelb.md">office@zelb.md</a>

