



ACED
Agricultural Competitiveness and
Enterprise Development Project



A ROAD MAP FOR INVESTORS IN MOLDOVAN HIGH VALUE AGRICULTURE

Agricultural Competitiveness and Enterprise Development Project
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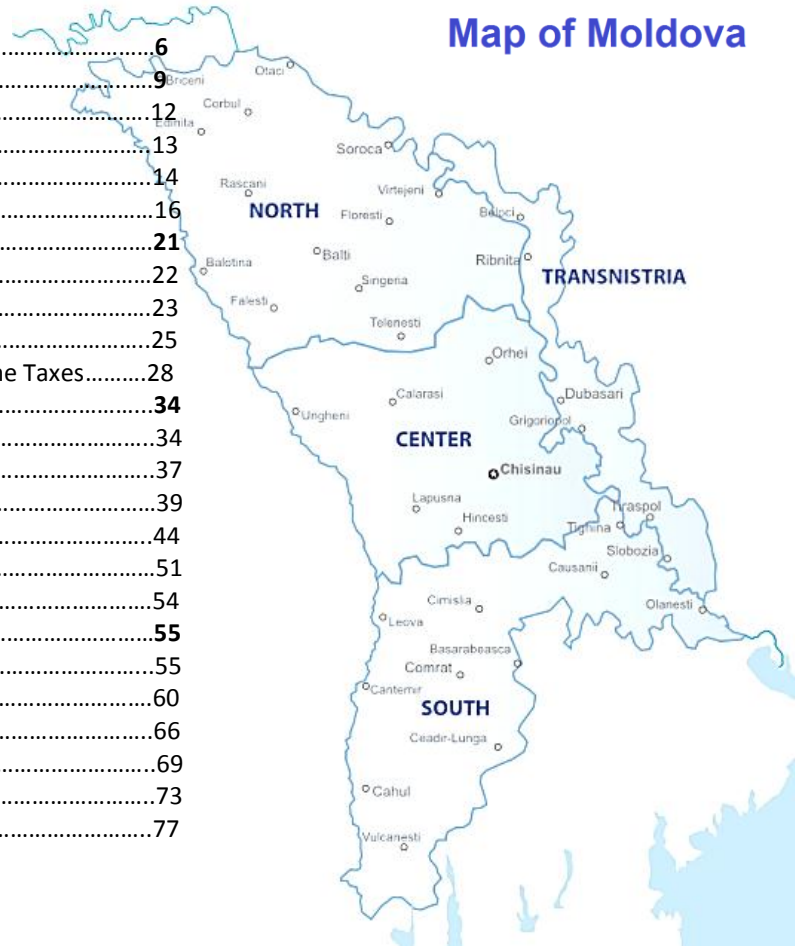
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The information offered in this guide is not intended to take the place of qualified legal advice. All potential investors or other users of this guide are advised to use the services of appropriate local legal counsel before undertaking any investment in Moldova or registering a new company.

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Map of Moldova



ABBREVIATIONS AND ACRONYMS

- ACED**.....Agricultural Competitiveness and Enterprise Development Project
- AAM**.....(*Agenția Apele Moldovei*) Water Management Agency
- AIPA**.....(*Agenția pentru Intervenții și Plăți în Agricultură*) - Agency for Interventions and Payments in Agriculture
- ANOFM**.....(*Agenția Națională pentru Ocuparea Forței de Muncă*) - National Employment Agency
- ASV**.....(*Agenția Sanitar-Veterinară și pentru Siguranța Produselor de Origine Animală*) - Sanitary-Veterinary and Livestock Products Safety Agency
- BMA**.....(*Biroul de Migrație și Azil*) - Migration and Asylum Bureau
- BNM**.....(*Banca Națională a Moldovei*) - National Bank of Moldova
- CAECP**.....(*Centrul de Acreditare în domeniul Evaluării Conformității Produselor*) - Center for Accreditation in Product Conformity Evaluation
- CCCEC**.....(*Centrul pentru Combaterea Crimelor Economice și Corupției*) – Center for Combatting Economic Crime and Corruption
- CEFTA**.....Central European Free Trade Agreement
- CIS**.....(*Camera Înregistrării de Stat*) - State Registration Chamber
- CNAS**.....(*Casa Națională de Asigurări Sociale*) - National Social Security Office
- CNAM**.....(*Compania Națională de Asigurări în Medicină*) - National Medical Insurance Company
- CNSP**.....(*Centrul Național de Sănătate Publică*) - National Public Health Center
- CNSP(I)**.....(*Consiliul Național pentru Soiurile de Plante*) - National Plant Varieties Council
- CRIS Registru**.....(*Centrul Resurselor Informaționale de Stat "Registru"*) - State Information Resource Center "Registru"
- CSAOPUFF**.....(*Centrul de Stat pentru Atestarea și Omologarea Produselor de Uz Fitosanitar și a Fertilizanților*) - State Center for Certification and Approval of Phytosanitary Use Products and Fertilizers

CSTSP.....(*Comisia de Stat pentru Testarea Soiurilor de Plante*) - State Commission for Plant Varieties Testing

GD.....Government Decision

HVA.....high value agriculture

IES.....(*Inspectoratul Ecologic de Stat*) - State Environmental Inspection

IFAD.....International Foundation for Agriculture Development

IFPS.....(*Inspectoratul Fiscal Principal de Stat*) - State Tax Inspection

IGSFCS.....(*Inspectoratul General de Supraveghere Fitosanitară și Control Semincer*) - General Inspection of Phytosanitary Supervision and Seeds Control

IS Cadastru.....(*Întreprinderea de Stat "Cadastru"*) – State Cadastral Enterprise "Cadastru"

MAEIE.....(*Ministerul Afacerilor Interne și Integrării Europene*) - Ministry of Foreign Affairs and European Integration

MAI.....(*Ministerul Afacerilor Interne*) - Ministry of Interior Affairs

MCA.....Millennium Challenge Account, Compact Program

MCC.....Millennium Challenge Corporation

MDL.....Moldovan currency, Lei

RISP.....Rural Investment and Services Project (II)

SPCSE.....(*Serviciul Protecției Civile și Situațiilor Excepționale*) - Civil Protection and Emergency Service

ZEL also ZAL.....(*Zona Economică Liberă / Zona Antreprenoriatului Liber*) - Free Economic Zone

USAID.....United States Agency for International Development

Introduction

There are real opportunities in Moldova for investment in the agriculture sector. 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.

The opportunities for making profitable investments in Moldova's agriculture sector are growing rapidly. Bureaucratic and regulatory constraints that have held back investments in the past are gradually being overcome as investment procedures are simplified and transparency is increased, government is committed to a policy of harmonizing trade-related policy with EU norms, several international projects are assisting government to improve the investment climate and increase the capacity to support international certification requirements and new markets are opening for Moldovan products. With its rich soil, strategic location between major markets to its east and west, inexpensive labor and strong agriculture heritage, agri-business investments offer a promising place for investors to become active in Moldova.

This paper was developed under ACED to improve the competitiveness of Moldovan HVA by addressing binding constraints in targeted fruit and vegetable value chains at the marketing, production, processing 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 previously operated in a centrally planned environment that insulated farms from market signals, imposed centrally-derived targets as a substitute for consumer preferences, and allowed farms to function under soft budget constraints without proper profit accountability.

Today the Moldovan Government has a comprehensive 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 way 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 the 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's social and economic sustainability.

HVA offers answers to numerous challenges that agribusinesses are facing in Moldova. Increasing primary agricultural production would give a boost to the agro-processing industry, enhance the country's export base and 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 generated by the production of fruits and vegetables. Agriculture gross added value reached 5.5 billion MDL, contributing 10 % to the economy's gross added value and making agriculture the third engine of Moldova's economy. In 2010 exports of fruits and vegetables totaled more than 175 million USD. Exports of nuts and apples made up to 34% and 29% respectively, with a massive potential to be

further exploited 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 capacity 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 to obtain permits, authorizations 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. According to research done by the World Bank *Doing Business* study, starting a business in Moldova requires seven procedures, takes nine days, and costs 1981 MDL (less than \$200) in official fees¹.

¹ World Bank Doing Business 2011,
<http://www.doingbusiness.org/~media/fpdkm/doing%20business/documents/profiles/country/MDA.pdf>

1. ESTABLISH YOUR BUSINESS

Business legal considerations start with identifying the most appropriate form of legal organization for the business. Five legal organizational forms are commonly used to set up an agricultural business in Moldova: individual's enterprise/sole proprietorship and peasant farm, limited liability company (LLC or S.R.L. in Moldovan classification), joint stock company (JSC or S.A. in Moldovan classification) and cooperatives. The first two are considered to be natural persons for legal and tax purposes while the last three are each considered to be "legal persons".

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 start-up capital, and a more complex internal decision making process.

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

Criterion	Legal Form				
	Sole Proprietorship, Peasant Farms	Limited Liability Company	Joint Stock Company	Production Cooperative	Entrepreneurial cooperative
Founder	Natural person-individual entrepreneur	Natural or legal person	Natural or legal person	Natural person	Natural or legal person
Legal residence of the founder	Resident or non-resident	Resident or non-resident	Resident or non-resident	Resident or non-resident	Resident or non-resident

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
Capital sources	Not specified	Cash, securities, properties	Cash, securities, properties	Cash, securities, properties	Cash, securities, properties
Profit distribution	Net profit	Percent of profit according to capital share	Percent of profit according to number of stocks	To cooperative members	To cooperative members
Governing bodies	Individual entrepreneur	1) General Assembly of Associates 2) Board of Directors (if applicable) 3) Administrator	1) General Assembly of Shareholders 2) Board of Directors (if applicable) 3) Administrator	1) General Assembly of Shareholders 2) Cooperative Council (if more than 50 members) 3) President	1) General Assembly of Shareholders 2) Cooperative Council (if more than 50 members) 3) President
Liability of the founder	Unlimited, with all properties and securities under his possession	According to capital share	According to stocks share	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 in Moldova:

1. State registration: 1000 MDL for expedited (4 hour) registration;
2. Incorporation document preparation (editing) expedited: 432 MDL;
3. Name verification: 39 MDL;
4. Certification of signatures by the State Registrar: 10 MDL;
5. Publication: 54 MDL;
6. Extract (for permanent bank account) - expedited - 4 hours: 252 MDL;
7. Official company stamp: 150 MDL;
8. License fee (authorization for stamp manufacturing): 9 MDL;
9. Company name approval: 20 MDL;
10. Approval of stamp text: 15 MDL.

1.1 Sole Proprietorship Registration

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

1. Prepare Registration Application (download a Registration application at <http://cis.gov.md/content/5>).
2. Pay fee to the CIS cash desk (522 MDL for a 4 hour express registration, 171MDL for 5 day normal registration). Keep the receipt.
3. A foreign founder must also:
 - a. Obtain a personal criminal record from his/her home country.
 - b. Obtain a personal criminal record from Moldova's MAI' Information and Investigation Evidence Department (Chişinău, 3A Iacob Hâncu str., see: 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 a personal identification document, registration application, registration receipt and criminal records to CIS local office.

5. Obtain new company establishment papers (Company registration certificate, foundation documents, statute and CIS registration decision, company stamp).

1.2 Peasant Farm Registration

Either a foreigner or a Moldovan can register a peasant farm, but since a foreigner is not allowed to own farm land, it would have to be established on rented land. The process of registering a peasant farm includes the following steps:

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

1.3 LLC and Cooperative Registration

To register a limited liability company (S.R.L. - Moldovan classification) or a cooperative, the founders must accomplish the following:

1. Prepare a registration application. Available at <http://cis.gov.md/content/5>.
2. Request a certificate of capital shares (specifying the future company share capital) from the CIS local office. Find local offices at: <http://cis.gov.md/content/68>.
3. Deposit your share capital in a commercial bank account and apply to that bank for a share capital submission certificate. At least 40% of each founder's declared contribution to company capital has to be deposited. The other 60% must be paid in within six months of registration.
4. Pay the registration fee to the CIS cash desk (1,777 MDL for a 4 hour express registration, 514 MDL for 5 day normal registration). Keep the receipt.
5. Pay for company name approval (40 MDL) and stamp manufacturing (150-240 MDL) to CIS cash desk. Keep the receipts.

A foreign founder (natural person) must also:

1. Obtain a personal criminal record from his or her own country (translated into Romanian).
2. Obtain a personal criminal record from the MAI's Information and Investigation Records Department (Chişinău, 3A Iacob Hâncu str., see: http://www.mai.md/perm_dispoz) or local district police offices. 30 MDL for five days service. 60 MDL for one day service.

Foreign companies must also obtain:

1. Founding company incorporation papers and extract from home country CIS.
2. Office rent agreement or ownership papers.
3. New company establishment decision (download template from <http://cis.gov.md/content/5>).

The above listed documents must be submitted to the local CIS office to receive new company foundation documents.

Submit company establishment papers to the local office of IFPS, CNAS and CNAM to complete registration. Newly registered companies must register with the IFPS.

1.4 JSC Registration

To register a joint stock company (S.A. – Moldovan classification), the procedure is similar to the above including the following steps:

1. Complete a Registration Application (downloadable at: <http://cis.gov.md/content/5>).
2. Request a Certificate of Capital Shares (specifying the future company's share capital) from the CIS local office (find local offices at: <http://cis.gov.md/content/68>).
3. Deposit share capital in a local commercial bank and apply for a share capital submission certificate from the same bank. At least 40% of each founder's declared contribution to company capital must be deposited. The other 60% must be deposited in within six months of registration.
4. Pay the registration fee to the CIS cash desk (2569 MDL for a 4 hour express registration, 712 MDL for five day normal registration). Keep the receipt.
5. Pay company name approval (40 MDL) and stamp manufacturing (150-240 MDL) to CIS cash desk. Keep the receipts.

A foreign founder (natural person) must also:

1. Obtain a personal criminal record from his or her own country (translated into Romanian).
2. Obtain a personal criminal record from the MAI's Information and Investigation Evidence Department (Chişinău, 3A Iacob Hâncu str., http://www.mai.md/perm_dispoz) or local district police offices. 30 MDL for five days service. 60 MDL for one day service.

Foreign companies must also obtain the following documents for presentation to the local CIS office to obtain the required company establishment papers:

1. Founding company incorporation papers and extract from home country CIS.
2. Office rent agreement or ownership papers.
3. New company establishment decision (download template from <http://cis.gov.md/content/5>).

The above listed documents must be submitted to the local CIS office to receive new company foundation documents.

Submit company establishment papers to the local office of IFPS, CNAS and CNAM to complete registration. Newly registered companies must register with the IFPS.

References

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. 73 of 12.04.2001 on entrepreneurs cooperatives, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=311718>

Attention!

- ** Registration documents can be submitted by the investor or by his or her legally authorized representative.
- ** Establishment documents are submitted by a 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.
- ** Ten days are needed for district police offices to issue personal criminal records.
- ** 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 company registration with CIS. 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

Institution	Contacts
Moldovan Export Promotion and Investment Attraction Organization	65, Alexei Mateevici str., Chişinău, Tel.: +373 22 27 36 54 Fax: +373 22 22 43 10. http://miepo.md
MAI	3A Iacob Hâncu str., Chişinău, see: http://www.mai.md/perm_dispoz or local district police office
CNAM	12, Grigore Vieru Blvd., Chişinău, http://cnam.md . Find local offices at: http://cnam.md/?page=21
CNAS	3, Gheorghe Tudor str., Chişinău, http://cnas.md .
CIS	73, Ştefan cel Mare is Sfânt Blvd., Chişinău, http://cis.gov.md
IFPS	9, Cosmonauţilor str., Chişinău, find local offices at http://www.fisc.md
Commercial banks	http://www.bnm.md/md/list_licensed_banks_md
Business planning consultants	http://yp.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/
Business lawyers	http://yp.md/rom/rub/7520/7736/8152/consultatii-juridice/

2. STAFFING

Foreigners must obtain work permits in order to be allowed to conduct business activities in Moldova. A work permit is commonly issued for one year and its validity may 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 work permits valid for only 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). See more information at <http://www.mfa.gov.md/entry-visas-moldova/>. 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” (temporary or short stay) and “D” (long stay – up to 12 months) 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

Type “C” and “D” visas are issued by Moldova’s consular mission abroad (locate Moldova consular missions at: <http://www.mfa.gov.md/misiunile-diplomatice-oficiile-consulare/>) – the website of the Moldovan MAEIE to find the appropriate visa application form.

This application needs to be submitted along with a letter of invitation unless you are from one of the countries mentioned above whose citizens are allowed to enter Moldova without a visa (see <http://www.mfa.gov.md/entry-visas-moldova/fees-fos-visas/>). Submit the visa application, the original letter of invitation, a recent photography (35x45mm, 1.5"x 2.0") and the passport to the consular mission for endorsement.

Visa fees are 36 USD (for 30 day examination service) or 63 USD for three day service. Visas, once approved, are issued for an additional fee of 5 USD (for five day service) or 20 USD (for one day service).

2.2 Obtain a Work Permit

The following steps are required to apply for a work permit in Moldova:

1. Find your company's IFPS jurisdictional office and request an Outstanding Tax Debt Certificate (find local IFPS 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). 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>).
2. Find a Moldovan clinical hospital, undergo a HIV/AIDS test and receive a HIV/AIDS medical certificate (find hospitals at the Health Ministry's website <http://www.ms.gov.md/ministry/structure/Institutiilesubordonate/>).
3. 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.
4. 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>).
5. Submit 2 copies of each of the following documents to the BMA one-stop shop: company foundation documents, 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.

6. Pay documents examination fee (1,440 lei) at the Migration and Asylum cash-desk. Get a receipt.
7. 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/). The permit can be received in eight hours for a fee of 1,100 MDL or 30 days for a fee of 400 lei.

2.3 Hiring Expatriates

In order to hire expatriates, local companies must notify Moldova's ANOFM about the vacancy and obtain its acceptance (if there wasn't a satisfying local candidate for that vacancy), which is required for the prospective expatriate employee's letter of invitation application and, therefore, for obtaining the visa.

1. Find your local ANOFM office and register the vacancy (locate ANOFM local offices at: <http://www.anofm.md/prezentare>). A full job description is required.
2. Submit to ANOFM for endorsement: an employment application for the prospective employee, a copy of the public announcement of the vacancy, copies of company foundation documents, and 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 his or her travel document to the consular mission

for endorsement, pay documents examination fee (36 USD for a 30 days examination and 63 USD for a three day 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 IFPS jurisdictional office and request an Outstanding Tax Debt Certificate (find local IFPS 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 the Health Ministry's website <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/comanii-de-asigurari/>).

10. Submit two copies of each of the following documents BMA 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 BMA cash-desk. Keep the receipt.
12. The expatriate submits his ID, BMA endorsed documents to a CRIS Registru local office and receives his machine-readable work permit (locate CRIS Registru local offices at: 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 ANOFM, there are also over 15 recruiting and head-hunting agencies in Moldova (see: 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 includes general and specific clauses (conditions, risks, payment, confidentiality, confidence, mobility, etc.), including 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 five 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 returned to the employee when he or she leaves the position.

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 MDL per hour, or 1,100 MDL per month for an average 169 hours worked per month. 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 1,638.2 MDL (<http://www.statistica.md/pageview.php?l=ro&idc=338&id=2354>).

2.4.2 Labor Regulations and Conflict Resolution

1. The Moldova Labor Code lists a number of situations which can lead to disagreement between the employer and the employee including the following:
 1. Signing of the individual labor agreement.
 2. Execution, modification and suspension of individual labor agreements.
 3. Partial or total cancellation of the individual labor agreements.
 4. Payment of compensation in case of non-performance of one part of the agreement.
 5. Agreement nullification (disposition of hiring).
 6. Failure to issue the workbook, or mistakes in the information registered in the workbook, etc.

Conflicts can be amicably 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 refer 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 within three months of discovering 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).

The Moldovan Labor court will summon the litigating sides within ten days of the registration of the request and will announce its decision within 30 days. The decision can be appealed. The Civil Procedure Code regulates labor disputes court settlement (see lex.justice.md/index.php?action=view&view=doc&lang=1&id=286229). 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 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: 7% total; 3.5% is withheld by the employer on behalf of the employee, 3.5% is paid by the employer.

References

1. The Labor Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326757>
 2. The Tax 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 2012 state social insurance budget, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=341892>
 7. Law Nr. 55 from 31.03.2011 on the mandatory medical insurance funds for 2012, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=341894>
 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

Institution	Contacts
BMA, http://www.migratie.md	124 Ștefan cel Mare și Sfânt Blvd., Chișinău, tel./fax 27-74-88 / 27-72-51 / 27-96-07
ANOFM, http://www.anofm.md	90, M. Varlaam str., Chișinău, Telephone: 22-64-87, 22-44-40, Fax: 22-64-87, find local offices at: http://www.anofm.md)
CRIS Registru, http://www.registru.md/	42, Pushkin str., Chișinău (locate local office at: http://www.registru.md/map_docum/)

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 Publicly-Owned Land

Tenders for the purchase of publically owned land are always made public in the 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 from: (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=295933>) and submit it together with his or her 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 publicly announce a tender, elaborate the plat (map, showing the dimensions and location of land), calculate the land price and publically announce the tender results (see 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 the website of IS Cadastru
<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 Real Estate Register (or locate and visit the local cadastral office and request the Land ownership statement from the Real Estate Register. Find local cadastral offices at <http://www.cadastru.md/eservicii/>).
6. Submit the Land Purchase Agreement, the Land Ownership Statement form the Real Estate Register and the Outstanding Tax Debt Certificate to a Notary Office for land purchase agreement.
7. Submit the notarized Land Purchase Agreement and the Land Geographic Plan (provided by the mayor's office) to the local cadastral office to register the ownership right. Pay land ownership registration fee (40 MDL for each parcel of land) and get a receipt to learn about land ownership registration fees) (<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=324492>).

3.1.1 Buying Private Land

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

1. Request the seller to personally obtain a Land Ownership Statement from the Real Estate Register 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%, but not less than 84 MDL and not more than 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 Real Estate Register (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

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 780,000 hectares 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 per annum, but not exceed 10% of the normative price for state ownership land.

3.2.1 Sign a Rent 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 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). Keep the 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 IS Cadastru 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 that the regulations have recently been amended and this should take less time 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 improve 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 must:

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 Real Estate Register (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 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/). Obtain the certificate within 20 days.

3. Contact a construction design company to elaborate the storage facility blueprints and design documents (find design companies at the website of the License Chamber: <http://www.licentiere.gov.md/licentaresult.php?l=ro>).
4. Submit the project documents to IES local office (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), CNSP local office (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>), SPCSE (find district at: <http://www.dse.md/proj/>), receive inspections and obtain Acceptance Notices.
5. Submit the storage facility Land Ownership Statement to the Real Estate Register, the Construction Design Certificate, the Project Design Documents and the Acceptance Notices to the mayor's office and ask for a Building Permit. Receive the Permit in within 10 days.
6. Register the Building Permit at the State Construction Inspection Service (locate at: <http://www.iscrm.md/conducerea-inspeciei>).
7. Start construction.
8. 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

1. Law 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!

- ** The cost for a Construction Design Certificate is $10 \text{ MDL} + 0.01 \text{ MDL/m}^2$ for urban areas and $5 \text{ MDL} + 0.005 \text{ MDL/m}^2$ for rural areas. The Construction Design Certificate is issued within 10 days and is valid for 24 months.
- ** A Building Permit is delivered within 10 days and costs between 4,000-20,000 MDL, depending on the value of construction.
- ** 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
IS Cadastru	47, Pushkin str., tel. 88-10-00, fax 22-55-62, e-mail: info@cadastru.md, find local offices at: http://www.cadastru.md/eservicii/
State Construction Inspection Service	9, Cosmonauților str., Chișinău, tel. 23-80-24, locate at: http://www.iscrm.md/conducerea-inspeciei
AAM	5, Gheorghe Tudor str., Chișinău, tel. 28-07-00, Fax: 28-08-22, e-mail: Agenția_am@apele.gov.md, http://apelemoldovei.gov.md
CNSP	67/a, Gh. Asachi str., Tel. 574-501, Fax. 729-725, e-mail: cnspl@cnspl.md, find local offices at: http://www.cnspl.md/info.php?id1=44&id2=0
SPCSE	75/3, Alba Iulia Blvd., Chișinău, Tel. 71-92-04, Fax:75-34-10, find district offices at: http://www.dse.md/proj/
IES	9, Cosmonauților str., Chișinău, Tel. 22-69-41, Fax: 22-69-15, ies@mediu.gov.md, find local offices at: http://inseco.gov.md/despre-inspectorat/
district architecture department	locate district architecture department within the district public administration bodies at: http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/
Construction design companies	find design companies at: http://www.licentiere.gov.md/licentaresult.php?l=ro

FCE Gas Union Fenosa JSC	4, A. Doga str., Chişinău, Tel.43-11-11. find local offices at: http://www.gasnaturalfenosa.md/page/telefoane-de-contact
RED Nord JSC	180-A, Ştefan cel Mare Blvd., Bălţi, Tel. 0231-53118, find local offices at: http://www.yollowpages.md/rom/rub/7770/8523/7772/energie-electrica/
RED Nord-Vest JSC	30, Ştefan cel Mare Blvd., Donuşeni, Tel. 0251 22306, Fax. 0251 24279
Moldova-Gaz JSC	38, Albişoara str., Chişinău, http://www.moldovagz.md

3.4 Mobilizing Financial Resources

Opportunities to access finance to support agriculture development have been constantly growing. The fourteen active Moldovan commercial banks are agriculture's most important creditor. Banks usually lend to agriculture businesses from their own sources and from international donor program - credit lines programs like:

1. Access to Agricultural Finance Activity, 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 (MCA, at <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 rehabilitate 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 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 Investment Bank, 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, which is worth €75 million, addresses the structural weaknesses of the Moldovan wine industry, from vineyard to final packaging and dispatch of wine.

Finance programs supported directly by the Government of Moldova include the following:

1. 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.
2. 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's (18-30 years old) entrepreneurial abilities and helping them launch or extend a private business in rural areas.

In 2010, commercial banks and micro-financing institutions financed the agricultural sector with as much as 3.2 billion lei. This increasing interest on the part of financial institutions has resulted in a steady 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 total), BC Moldindconbank (361.8 million MDL, 16%), BC Victoriabank (278.3 million MDL, 12%) and BC Banca Sociala (176.2 million MDL, 8%).

In order to gain access to local finance, investors need to:

1. Study programs and partner banks credit offers (find banks contacts at: 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 credit applications 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 GD Nr. 369 of 24.05.2011 on approved methods for use of subsidized funding for agricultural producers in 2011). The subsidy fund is managed by the Agency for Interventions and Payments in Agriculture (AIPA) which has 33 local offices. In 2011, the subsidy fund for the local producers totaled nearly 400

million MDL and is increasing each year. Among the support measures, there is also an agriculture insurance subsidy. In order to benefit from Government subsidies, agriculture businessmen must:

1. Check their eligibility (see GD Nr. 57 of 31.01.2012 on Government subsidies, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=342071>).
2. Request a subsidy application template from AIPA 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 27.07.2006 on agriculture products markets organization and operating, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=317187>).
4. Submit to AIPA local Payment Authorization Department office: 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 IFPS (find local office at: <http://www.fisc.md/ro/about/teritorial/>). Note that additional documents are needed for subsidizing protected vegetable cultivation (greenhouses), animal husbandry and post-harvest/processing infrastructure.)
5. Sign the Financial support agreement with AIPA.
6. Receive the subsidy transfer from the Finance Ministry.

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

In order to insure a crop, investors have to:

1. Register the cereals, vegetables and fruit trees plantings 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 hours after damage occurred.
 - b) For livestock, make a damage claim to the insurance company and local office of the ASV (find local offices at: <http://www.asv.gov.md/index.php?p=contacte>).
4. Sign an expert damage evaluation (prepared by the insurance company).
5. The insurance company pays the damages within 10 days after the expert damage evaluation is signed.

References

1. GD Nr. 57 of 31.01.2012 on approving methods for use of subsidizing fund for agricultural producers in 2012, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=342071>.
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>.

Attention!

- ** The Agriculture Subsidy Fund in 2012 was raised to 400 million MDL (see GD Nr. 57 of 31.01.2012 on approving methods for use of subsidizing fund for agricultural producers in 2011 to see fund application directions).
- ** Currently, only two 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

Institution	Contacts
Commercial banks	http://www.bnm.md/md/list_licensed_banks_md
Donor and Government-sponsored programs in agriculture	http://businessportal.md/en/projects/finantare/
Business consultants	http://yellowpages.md/rom/rub/7520/7736/8167/consultatie-de-afaceri/
Insurance companies	http://www.asigurare.md/ro/content/105/
Moldasig (insurance company)	2, M. Eminescu str., Chişinău, Tel: 23-81-61, 21-22-22, Fax. 23-83-46, E-mail: moldasig@mnt. Agriculture insurance department: Tel. 20-47-61, 23-81-61, E-mail Lungu.V@moldasig.md. find local offices at: http://moldasig.md/index.php?cid=162
Moldcargo (insurance company)	97, V. Alecsandri str., Chişinău. Tel. 27-92-93, 27-90-96, Fax. 27-92-93. Agriculture insurance department: tel. 22-59-54. find local offices at: http://moldcargo.md/contacte.html
AIPA	162 Ştefan cel Mare Blvd., Chişinău, Tel. 22-38-80, 21-01-94. find local offices at: http://www.aipa.md/index.php/office
ASV	162 Ştefan cel Mare Blvd., Chişinău, Tel/fax: + 373 210157 e-mail: asv@maia.gov.md, find local offices at: http://www.asv.gov.md/index.php?p=contacte

3.5 Irrigation

In Moldova, irrigation is dependent 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 IES, 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 the 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 problematic 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 AAM (apelemoldovei.gov.md). Receive an Acceptance Notice.
3. Submit water samples to CNSP local office (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>). Receive an Acceptance Notice.
4. Submit AAM and CNSP Acceptance Notices to IES 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 ten days.

References

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

Where To Go

Institution	Contacts
AAM	5, Gheorghe Tudor str., Chişinău, tel. 28-07-00, Fax: 28-08-22, e-mail: Agenția_am@apele.gov.md, http://apelemoldovei.gov.md
CNSP	67/a, Gh. Asachi str., Tel. 574-501, Fax. 729-725, e-mail: cnspp@cnspp.md, find local offices at: http://www.cnspp.md/info.php?id1=44&id2=0
IES	9, Cosmonauților str., Chişinău, Tel. 22-69-41, Fax: 22-69-15, ies@mediu.gov.md, find local offices at: http://inseco.gov.md/despre-inspectorat/

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 on both construction use and agriculture land use areas. Nevertheless, because only a few localities have a City Planning (see example of Chişinău 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 the desirability 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 must be registered 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 in seeds and planting material is generally well supplied (local suppliers/distributors can be found at http://yellowpages.md/rom/search_rub/seminte/8727/seminte, or 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 Imported Seeds and Planting Material

Imports have a decreasing but still significant 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) are much more numerous than horticultural planting material importers (nearly 40 importers). Prior to

importing, all importers must have their storage facilities inspected by the phytosanitary supervision bodies. In order to import seeds and planting materials dealers must:

1. Prepare a storage facility, apply for an inspection at the local office of IGSFCS and apply for a Phytosanitary Certification of the storing facility (locate district division of IGSFCS district public administration bodies at: http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/). Obtain an inspection statement.
2. Sign an Import contract with a foreign supplier and request a Phytosanitary Certificate from the supplier.
3. At least 10 days prior to import, submit the following documents to the local office of IGSFCS for certificate application, a 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).
4. Submit Import contract, Phytosanitary Certificate and Import Phytosanitary Certificate to customs authorities, pay customs duties and fees (see import tariffs at: <http://www.customs.gov.md/index.php?id=16> and customs duties 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 has to:

1. Apply for seeds or planting material samples import authorization from the CSTSP (162, Ștefan cel Mare Blvd., Chișinău, 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 CSTSP. 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 CNSP(I) (162, Ștefan cel Mare Blvd., Chișinău, Tel.22-03-00, Fax 21-15-37).

References

1. 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>.
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Attention!

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

Where To Go

Institution	Contacts
IGSFCS	162, Ștefan cel Mare Blvd., Chișinău, Tel. 21-05-36
Chișinău Phytosanitary Quarantine Department	100B, Ialoveni str., Chișinău, tel. 28-44-42
CSTSP, CNSP(I)	162, Ștefan cel Mare Blvd., Chișinău, Tel.22-03-00, Fax.21-15-37

4.2 Access to Plant Protection Products

In Moldova, only registered 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/registru/>). 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 need to be followed in the process of procuring plant protection products locally:

1. Find a local office of CNSP and apply for Storage Authorization (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>).
2. Submit the Storage Authorization application to the local office of IGSFCS (locate the district division of IGSFCS within the district public administration bodies at: http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/), IES (find local offices at: <http://inseco.gov.md/despre-inspectorat/>), SPCSE (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 were imported in 2010, out of which mineral nitrogen fertilizers account for nearly 99%. Because plant protection products are imported, wholesale and retail distribution of these products is part of 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 be licensed to import plant protection materials, the investor must:

1. Submit the company Registration Certificate, Ownership Statement from the Real Estate Register (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 CNSP and apply for an inspection. Receive a Storage Authorization (find local office at: <http://www.cnsp.md/info.php?id1=44&id2=0>).

3. Submit the Storage Authorization to the local office of IGSFCS (locate district division of IGSFCS in district public administration bodies at: http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/), the IES (find local offices at: <http://insecogov.md/despre-inspectorat/>), and to the SPCSE (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 duties 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 has to:

1. Apply for plant protection product samples import authorization from the CSAOPUFF (16A, Sarmizegetusa 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 CSAOPUFF or subordinate institutions (find subordinated institutions at: <http://pesticide-md.com/institutes/>) and apply for phytosanitary product registration.
4. Sign a collaboration agreement with CSAOPUFF 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 CSAOPUFF (find contacts at: <http://www.pesticide-md.com/contacts/>).

References

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
CNSP	67/a, Gh. Asachi str., Chişinău, Tel. 574-501, Fax: 729-725, E-mail: cnsp@cnsp.md , find local office at: http://www.cnsp.md/info.php?id1=44&id2=0
IGSFCS	162, Ştefan cel Mare Blvd., Chişinău, Tel. 21-05-36, locate district division of IGSFCS district public administration bodies at: yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/
SPCSE	75/3, Alba Iulia Blvd., Chişinău, Tel. 71-92-04, Fax:75-34-10, find district offices at: http://www.dse.md/proj/
IES	9, Cosmonauţilor str., Chişinău, Tel. 22-69-41, Fax: 22-69-15, ies@mediu.gov.md , find local offices at: http://inseco.gov.md/despre-inspectorat/
CSAOPUFF	16A, Sarmizegetusa str., Chişinău, Tel. 55-26-73, Fax. 63-90-30. http://pesticide-md.com/
CSAOPUFF	find contacts at: http://www.pesticide-md.com/contacts/
Plant protection products suppliers	http://www.licentiere.gov.md/licentaresult.php?l=ro

4.3 Tax Registration and Payment

In Moldova, businesses pay taxes from their corporate bank account to special treasury accounts that are provided at the moment of company registration (by IFSP, CNAS, and CNAM). There are several steps in processing tax payments. A good first step is to get familiar with the Moldova tax system (see the Tax Code, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=326971>). There are three major types 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 Health insurance contributions.

4.3.1 Paying Taxes

Special treasury accounts are provided to each company at the time 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 office (locate

local offices at: www.fisc.md/ro/about/teritorial/) about the latest changes to tax rates and to the account where taxes must be transferred (online help at: servicii.fisc.md/Companies.aspx).

For general taxes, there is also a taxpayer tax calendar available showing when tax reports must be submitted (servicii.fisc.md/Calendar.aspx).

To pay general taxes, the investor has to:

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.

Taxpayers in Chişinău have the option of submitting tax reports electronically, through the IFPS online portal (<https://servicii.fisc.md/Default.aspx>). To do this, taxpayers must register as users, 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

1. Tax 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!

** Starting with 01.01.2012, the income tax for legal persons was set at 12%.

** A general 3% tax on small and medium sized companies' revenues was established to replace all active corporate taxes for small and medium sized companies starting from 01.01.2012.

Where To Go

Institution	Contacts
IFPS	9, Cosmonauților str., Chișinău, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: mail@fisc.md. find local offices at: http://www.fisc.md/ro/about/teritorial/
CNAS	3, Gh. Tudor Str., Chișinău, Tel. 28-61-15, e-mail: info@cnas.gov.md. find local offices at: http://www.cnas.md/regionmap.php?l=ro&idc=175&
CNAM	12, Grigore Vieru str., Chișinău, Tel. 59-37-91, Fax. 22-61-84 e-mail: info@cnam.md, find local offices at: http://cnam.md/?page=21

4.4 Export Operations

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

1. Moldova has been a member of the World Trade Organization since 26-07-2001. Accordingly, it applies all WTO terms, including the favored nation status on trade with other member states.
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 nine 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 the Central European Free Trade Agreement (including Albania, Bosnia and Herzegovina, Croatia, Macedonia, Serbia, Montenegro and 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. Request a Product Conformity Certificate (visit website of CAECP Evaluation: www.acreditare.md/admin/upload/Registru_OEC_acreditate_16.11.2011.pdf).
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 the Customs Code to learn about the Certificate of Origin issuance fees: www.customs.gov.md/index.php?id=987). For export to other countries, request a Certificate of Origin from the Chamber of Commerce and Industry 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).
5. At least 24 hours prior to export, apply to the local office of IGSFCS 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) (locate District office of IGSFCS within the district public administration bodies at: http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/).
6. Find a customs broker to prepare a 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 duties (see customs duties 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 refund has to be made within 45 days of submission.

References

1. Tax 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 Code, <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., Chişinău, Tel. 57-41-82, Fax. 27-30-61, E-mail: vama@customs.gov.md. find local offices at www.customs.gov.md/index.php?id=44
IGSFCS	162, Ştefan cel Mare Blvd., Chişinău, Tel. 21-05-36, locate the district division of IGSFCS within the district public administration bodies at: http://yellowpages.md/rom/search_rub/primaria/7711/autoritatile-locale/
IFPS	9, Cosmonauţilor str., Chişinău, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: mail@fisc.md. Local offices at http://www.fisc.md/ro/about/teritorial/
Conformity certification companies	www.acreditare.md/admin/upload/Registru_OEC_acreditate_16.11.2011.pdf
Customs brokers	Find at: http://www.licentiere.gov.md/licentaresult.php?l=ro

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' closure.

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 the BNM currency control department or commercial bank's currency control department and receive a cash repatriation authorization.
3. Non-residents must 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 BNM currency control department or a commercial bank's currency control department and receive a cash repatriation authorization.

References

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. Tax 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>.
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Attention!

- ** Repatriation of cash equivalent of less than 10,000 euros needs no confirmative authorization.
- ** 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.
- ** Funds repatriation is closely supervised by the Customs Service and the CCCEC (<http://www.cccec.md>). The failure to comply with sanctions may result in suspension of investor' outstanding international payments and export transactions.

Where To Go

Institution	Contacts
BNM	1, Grigore Vieru Blvd., Chişinău. Tel. 40-91-01; http://www.bnm.md
Commercial banks	http://www.bnm.md/md/list_licensed_banks_md
IFPS	9, Cosmonauţilor str., Chişinău, Tel. 22-06-93, 82-33-53, Fax. 82-33-54, E-mail: mail@fisc.md. find local offices at: http://www.fisc.md/ro/about/teritorial/

4.6 Operating Facilities in Free Economic Zones

Free economic zones (ZELs) are part of the Moldova Government's strategy for attracting foreign investments. There are now seven ZELs, located all over the country, 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.

ZELs offer investors the opportunity to reduce investment risks and a more simple access to the EU and CIS markets. There were 159 residents in seven 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 ZELs, 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 ZELs and thereby benefit from a number of incentives:

Incentive	Conditions
VAT	0%
Excise	0%
Corporate income tax	12%
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"> 1. Production of goods for export (excepting ethyl alcohol, alcohol and tobacco production) 2. Sorting, packing, marking and other similar operations 3. Other auxiliary types of activity, such as public service, warehousing activity, constructions, catering, etc.

4.6.1 Becoming a ZEL resident

In order to become a free zone resident, a business must:

1. Comply with the following criteria:
 - a. be a registered business in Moldova,
 - b. be not involved in an insolvency procedure,
 - c. have not outstanding tax debts to the state budget.
2. Request a resident application from ZEL administrations (learn more about ZEL and find contacts at: http://www.miepo.md/public/files/Publicatii/FeZ2010_FINAL.pdf).
3. Pay the resident bid application fee (established by each ZEL administration). Request a receipt.
4. Submit to ZEL administration: resident application, resident application receipt, copies of company registration certificate, a three year business plan, agreement to make contributions to ZEL 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 ZEL resident admission, <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=296656>).
6. In case of positive decision, sign a ZEL resident agreement with ZEL administration within 30 days.

References

1. Law Nr. 440 on ZEL 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. Tax Code, <http://www.fisc.md/ro/lege/fiscrm/>.

Where To Go

Institution	Contacts
Giurgiuleşti Free International Port	Giurgiuleşti, Cahul District, Tel. 29-34-91, Fax. 29-28-55, E-mail dileonardo@danlog.md, http://www.gifp.md
Mărculeşti International Airport	Mărculeşti, Floresti District, Tel./Fax 23-42-99, E-mail: aim.mail@airportmarculesti.com, www.airportmarculesti.com
Expo-Business-Chişinău ZEL	Chişinău, Tel. 41-41-30; Fax 41-41-38; E-mail admin@moldova-freezone.md, freezone1@list.ru, www.moldova-freezone.md
Ungheni-Business ZEL	Ungheni, Tel. 236-20184, Fax 236-20184, E-mail: office@freezone-ungheni.md, www.freezone-ungheni.md
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