



# Investment in Moldova 2024

KPMG in Moldova

*The gates of the city of Chişinău, the Republic of Moldova*

# General information about Moldova

The Republic of Moldova is situated in South-East Central Europe, to the south-west of the Black Sea. Moldova borders Romania in the west, and Ukraine in the north, east and south. The country's capital is Chisinau. Moldova's borders are well defined by the two big rivers – the Dniester and the Prut.

Moldova is home to some of the most varied and fertile soils in Europe – chernozem, which covers three-fourths of the country, and this, along with its favourable climate, significantly contributes to the development of agriculture; mostly cultivation of vineyards, sugar beet, fruit and vegetables.

Moldova's GDP in 2023 was MDL 300.4 bn (about EUR 15.6 bn) in nominal terms at current market prices, a slight increase compared to the previous year, primarily driven by the agriculture, forestry, and fisheries sector, which grew by 2.6%.

Moldova is recognised worldwide for the diversity and high quality of its wines. The most popular types of grapes have been developed and adapted to our climate and soils such as Chardonnay, Sauvignon Blanc, Cabernet Sauvignon, Merlot, Pinot Noir, Malbec and Saperavi. Other delicious grapes such as Feteasca Albă, Feteasca Regală, Feteasca Neagră and Viorica are also very popular.

In recent years, Moldova has facilitated the development of the Moldova Innovation Technology Park („MITP”), which is the main actor in terms of access to the most innovative and high-performance services. The park has over 1,900 active residents, of which 240 are foreign-owned companies originating from 39 countries.

Due to the favourable business environment for tech development within MITP, the park's residents' share in national GDP is about 4%, and the share of technological service exports accounts for 90% of the country's IT service exports.



Monument of King Stephen the Great in centre of Chişinău city, the Republic of Moldova

## Passports, Visas and Residency Permits

A Moldovan visa is required to enter the country. However, there are some unilateral exceptions from the requirement to obtain a visa granted by Moldova to nationals of 101 EU and non-EU countries / jurisdictions. Whether or not they need a visa, foreign individuals can stay in Moldova for a period not longer than 90 days during 6 consecutive months.

A stay in Moldova on the basis of a long-term visa can afterwards be extended with a residence permit, which can be obtained for work, business investments, family reunification, studies or volunteering purposes.

## Hotel and Long-term Accommodation

The Republic of Moldova has a well-developed network of hotels and long-term accommodation options, including leading global brands. The HORECA sector (i.e. hotels, restaurants and catering) has been continuously developing, especially following the significant disruption caused by the pandemic.

## Air transportation

Moldova has good connections by air with Europe and beyond. The main and only airport is Chişinău International Airport.

## River Port

The only port in Moldova, Giurgiuleşti International Free Port, is situated at the confluence of the Danube River and the Prut River. Giurgiuleşti port operates as both a grain and an oil terminal, as well as for passenger shipping.

## Population

The 2014 census gave Moldova's population as just under 3 million. The same census showed that 75.1% of Moldova's population are ethnic Moldovans and 7.0% are ethnic Romanians. However, the distinction has been the subject of extensive debate and in 2023 the Constitutional Court ruled that the „Moldovan” language is Romanian.

Moldova is also home to smaller populations of Ukrainians (6.6%), Russians (4.1%), Gagauz (4.6%), Roma and Bulgarians (2.6%).

## Climate

Moldova has a warm and moderately continental climate, featuring a long frost-free period, relatively mild winters, significant temperature variations and prolonged droughts in the south. Precipitation in Moldova is highly variable, with slightly lower amounts in the south. Winter snow cover is typically thin. The prevailing winds are from the northwest or southeast.

## Religion

Approximately 96.8% of those who declared a religion in the 2014 census stated that they were Orthodox Christians. Additionally, there are notable numbers of other Christian denominations such as Catholics, Seventh-day Adventists, Evangelical Christians, Lutherans and others.

## Official Language

The official language of the Republic of Moldova is Romanian. The Romanian language is derived from the Latin used in ancient times in the Roman provinces of Dacia and Moesia.

Russian is widely spoken, as is English (particularly by younger people).

Gagauz, Ukrainian, and Bulgarian are also spoken by ethnic minorities, which reflects the country's diverse ethnic composition and its historical influences.

## Standard time

The standard time is GMT + 2 hours (East European Zone Time). Summer time is GMT plus 3 hours, from late March to late October. The spring and autumn change is synchronised with the rest of Europe, so Moldova is always one hour in advance of France, Germany, Austria, etc.

## National Day

27 August marks the country's Declaration of Independence from the Soviet Union in 1991.

## Legal Holidays

- 1 January – New Year's Day
- 7-8 January – Orthodox Christmas
- 8 March – International Women's Day
- April/May – Orthodox Easter
- April/May – Easter of Blajini
- 1 May – Labour Day
- 9 May – Memorial Day/Europe day
- 1 June – Children's Day
- 27 August – Independence Day
- 31 August – National Language Day
- 25 December – Christmas Day

## National Currency

The national currency is the Leu with the subdivision Ban (pl. Bani). In economic and business circles, the currency is generally referred to as the MDL (Moldovan Leu).

Approximate official rates in September 2024:

**1 EUR = 19.2456 MDL**

**1 USD = 17.3697 MDL**

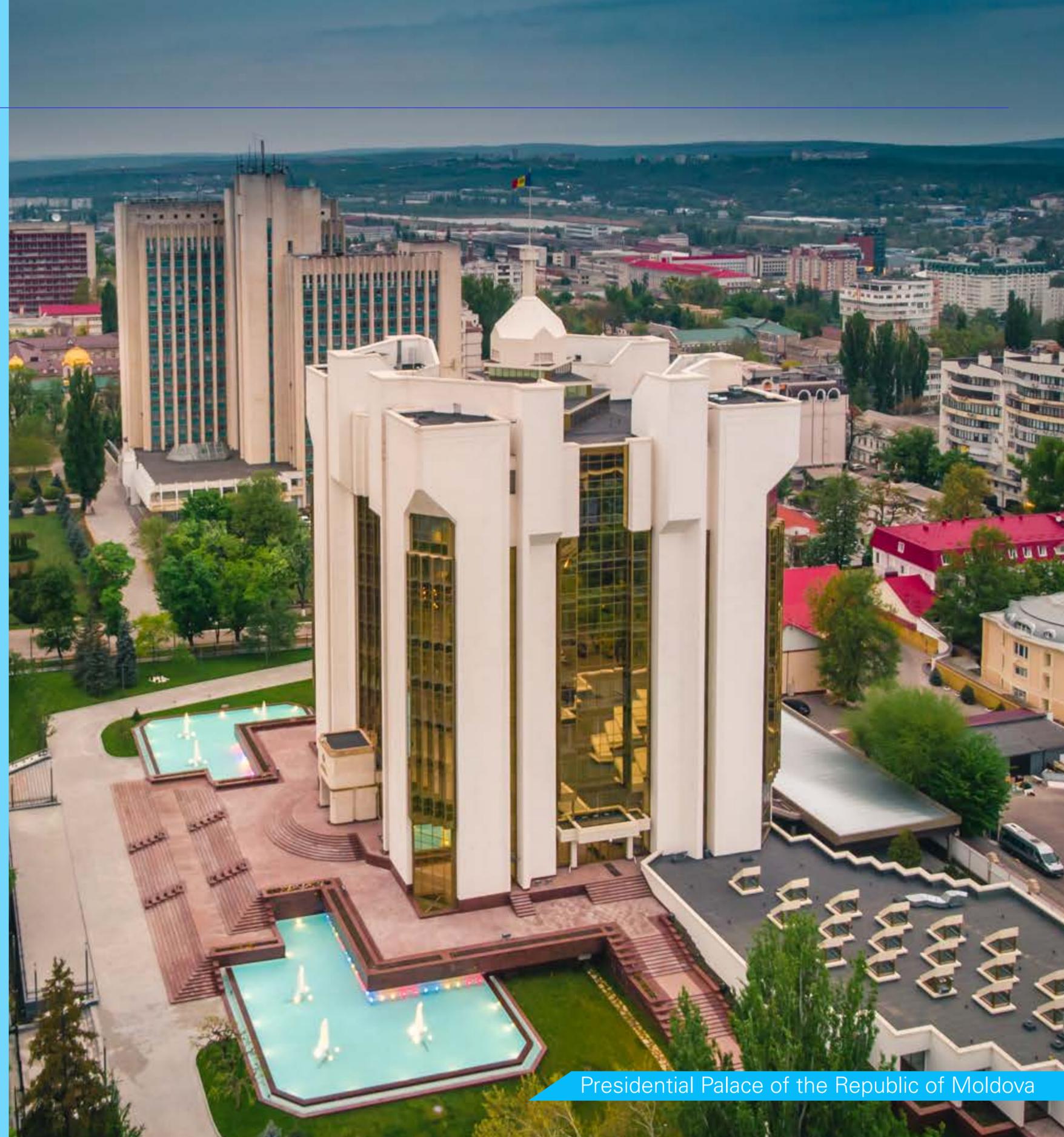
# Macroeconomics

Moldova's economy has been growing steadily over the past two decades. However, in 2022 it contracted due to various challenges, including the war in Ukraine and an energy crisis. There was a slight recovery in 2023, when, according to preliminary data, Moldova's gross domestic product (GDP) amounted to MDL 300.4 bn (about EUR 15.6 bn) in nominal value, at current market prices, a rise of 0.7% compared to the previous year.

Volume indices of gross domestic product (%)



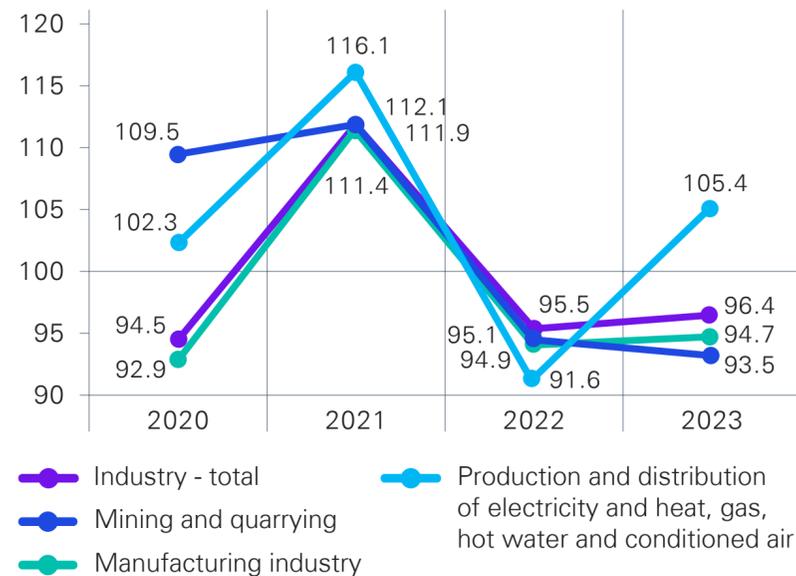
Source: [Moldova figures 2024.pdf \(gov.md\)](#)



# Industry

The industrial sector is mainly made up of enterprises in the manufacturing industry, which in 2023 accounted for 86.1% of the total value of production in the sector.

Evolution of industrial production index (%)



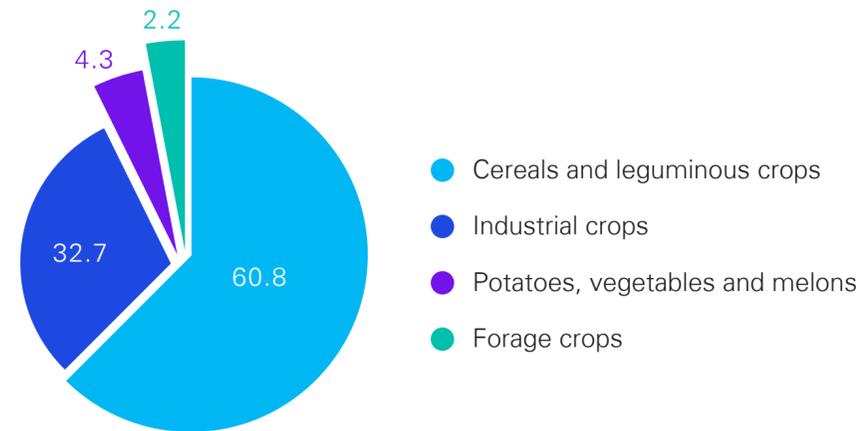
Source: [Moldova figures 2024.pdf \(gov.md\)](#)

# Agriculture

Agriculture is an important economic sector for Moldova, contributing significantly to the country's economy and employment. The main agricultural products include cereals and leguminous crops, industrial crops, vegetables and melons, as well as forage crops.

There is a growing emphasis on sustainable agricultural practices to protect the environment and ensure long-term productivity. This includes initiatives to promote organic farming, soil conservation and efficient water use.

Structure of sown areas in all categories of producers, in 2023 (%)



Source: [Moldova figures 2024.pdf \(gov.md\)](#)

# Trade

Moldova's main trading partners are:

1. The European Union (EU) is Moldova's largest partner, absorbing over 62% of the country's exports.
2. Russia and the other members of the Commonwealth of Independent States (Belarus, Georgia), account for 7% of Moldovan exports.

Moldova has been a member of the World Trade Organization (WTO) since 2001. It has signed free trade agreements with several countries, including the member states of the Commonwealth of Independent States, those of the Central European Free Trade Agreement (CEFTA), the European Union (AA/DCFTA) and Türkiye.

In 2014, Moldova and the EU signed an Association Agreement which includes the creation of a Deep and Comprehensive Free Trade Area (DCFTA), removing most import duties for most goods traded and harmonising regulations between Moldova and the EU.

# Foreign investment

Moldova has attracted investment from many countries, and offers a number of facilities both for new businesses and for investments in existing companies.

The fiscal opportunities created by Moldova have given rise to favourable environments for the development of industrial sectors. The recently established Moldova IT Park, created on the principle of a HUB that centralises the common interests of tech developers, has been a particularly important stimulus to investment.

The Moldova Innovation Technology Park represents a virtual park with significant tax benefits; the single tax levied on park residents amounts to 7% of sales revenue. This has attracted many local and international IT companies to set up operations in Moldova.

# Taxation

## Corporate income tax rate

**12%**

### Taxpayers

- Legal entities, which are residents of the Republic of Moldova, which carry out entrepreneurial activity, individuals who carry out professional services, as well as individuals who practice professional activity in the justice and health sector, which, during the fiscal period, obtain income from any sources in the Republic of Moldova, as well as from any sources outside the Republic of Moldova.
- Individuals who are residents of the Republic of Moldova, and, who during the fiscal period, carry out independent activities and obtain income from any sources derived in Moldova and from any sources outside Moldova for their activity in Moldova.

### Fiscal year

The fiscal year is the calendar year, which begins on 1 January and ends on 31 December.

For those taxpayers that have the right, in accordance with the provisions of the Accounting Law, to apply a different management period from the calendar year, the fiscal period for income tax corresponds to the management period for the preparation and presentation of the financial statements.

The fiscal period can be a period of any 12 consecutive months.

## Corporate income tax rate

**12%**

### Compliance requirements/payment

- Tax returns must be submitted on a yearly basis, by the 25th of the third month of the fiscal period.
- Legal entities are required to pay on a quarterly basis (no later than 25 March, 25 June, 25 September and 25 December) equal amounts of  $\frac{1}{4}$  of:
  - a. the amount of estimated tax for the relevant year, or
  - b. the tax due for the previous year.
- Micro, small and medium-sized entities classified according to the provisions of Law no. 179/2016 concerning small and medium entities can benefit from a tax incentive for profit reinvestment. They so must pay income tax no later than 25th of the month following the month when dividends were distributed, including in the form of shares and share parts, from the profit obtained during the 2023-2025 fiscal periods.

### Fiscal losses

- Fiscal losses can be carried forward over 5 fiscal periods.
- The amount carried forward for one of the fiscal periods following the one when losses were registered is equal to the total amount of losses, reduced by the total amount allowed for deduction in each of the following four fiscal periods.
- If the taxpayer incurred losses for more than one fiscal period, the tax losses should be carried forward following the order of their appearance.

## Corporate income tax rate

12%

### Deductible expenses

As a general rule, expenses are recognised for tax purposes if:

- They are deemed as ordinary and necessary expenses paid or incurred by the taxpayer during the fiscal period, exclusively within its business activity;
- They are recorded based on supporting documentation;
- They are incurred for the purpose of obtaining income; and
- They are not related to any tax exempt income obtained.

Certain types of expenses are partially deductible or fully non-deductible for corporate income tax purposes.

### Expenses with limited deductibility (examples)

- Ordinary and necessary expenses incurred by the taxpayer during the fiscal period without supporting documentation – 0.2% of taxable income.
- Donation expenses for philanthropic or sponsorship purposes – 5% of taxable income.
- Membership fees incurred for the activity of employers' associations – 0.15% of the labour remuneration fund.

## Corporate income tax rate

12%

### Provisions

- **Non-bank credit organisations**  
Provisions intended to cover any losses related to non-repayment of non-bank loans and non-payment of related interest and to cover receivables related to non-recovery of interest rates and financial leasing interest within the thresholds of provisions calculated according to the regulations of the National Financial Market Commission are considered deductible expenses for corporate income tax purposes.
- **Financial Institutions**  
Impairment losses on assets and contingent liabilities, calculated in accordance with IFRS, are considered deductible expenses for corporate income tax purposes.
- **Audit entities and individuals who perform audit services**  
Expenses incurred for provisions related to audit risk and for insurance premiums according to insurance contracts for professional civil liability are considered deductible up to a maximum of 15% of sales revenue obtained during the fiscal period related to the audit of annual financial statements and/or consolidated annual financial statements.

## Depreciation and amortization

### Calculation methods

Depreciation of fixed assets is calculated starting from the month following the month when the fixed asset is put into operation by using the linear depreciation method. Large entities (i.e. other than those classified according to the provisions of Law no. 179/2016 concerning small and medium entities), can use the accelerated depreciation method for the first year of operation of the fixed asset.

### Fixed asset's value

The fixed asset's value from which the depreciation is calculated should exceed MDL 12,000.

## Interest expenses

### Deduction of interest on loans and borrowing

Expenses related to interest incurred under a loan agreement by debtor economic agents for the benefit of individuals and legal entities (except for financial sector entities) are accepted within the limit of weighted average interest rates for new credits granted by the banking system to legal entities for less or more than 12 months in Moldovan national currency or foreign currency. The weighted average interest rate for new credits granted by the banking system to legal entities for less or more than 12 months in Moldovan national currency or foreign currency is established by the National Bank of Moldova and is published on its official website.

## Capital Gains tax rate **12%** of the amount of the capital gains

The tax is paid by resident and non-resident Moldovan individuals that do not carry out entrepreneurial activity and that sell, exchange or alienate in another form capital assets.

### Capital assets represent:

- shares, bonds, and other titles on property in entrepreneurial activity;
- private property not used in entrepreneurial activity;
- land;
- the option when buying or selling capital assets.

### The calculation method of the capital gain or loss is as follows:

- The amount of capital gain or loss from the sale, exchange or other form of alienation of capital assets is equal to the difference between the amount received (revenue earned) and their basic value.
- Capital gains or losses are not recognized for tax purposes in the case of donation contracts concluded between first degree relatives, as well as between spouses and as well as in the case of disposal of a vehicle that has been in the taxpayer's possession for at least 3 years before the date of disposal, except for collection vehicles of historical or ethnographic interest.
- Capital gains or losses resulting from sale, exchange or other forms of alienation of the main residence are not recognised for tax purposes.

## Capital Gains tax rate **12%** of the amount of the capital gains

The calculation method of the capital gain or loss is as follows:

- Capital gains or losses resulting from sale, exchange or other form of alienation of common property in devolution are determined as the difference between the amount received and the value base of these assets by one of the owners (co-owners) based on a joint written agreement.
- The amount of capital gain during the fiscal period is equal to 50% of the excess amount of capital gain over any capital losses incurred during the fiscal period.

The basic value

- The basic value should be justified by supporting documents and represents mostly the value of the capital assets purchased.
- Without confirmation documents the capital asset's basic value is nil.

## Personal income tax

Income category	Tax rate	Comments
Dividends paid to resident individuals	6% / 15% <sup>1</sup>	Taxable income = gross income

Income category	Tax rate	Comments
Dividends paid to resident legal entities	0%	
Sale of capital assets (real estate, land, shares, bonds, etc.)	12%	Taxable income = capital gain = 50% of the excess amount of capital gain over any capital losses incurred during the fiscal period.
Interest income from state securities obtained by individuals	6%	
Gambling <sup>2</sup>	18%	Taxable income = gains from gambling
Salary	12%	Taxable income = gross income, except: <ul style="list-style-type: none"> <li>Health insurance contributions;</li> <li>Personal allowance granted for the current month or other types of allowances (if received).</li> </ul>

<sup>1</sup> 15% of dividends, including in the form of shares or share-parts, paid to resident individuals and legal entities, related to undistributed profit earned during FY 2008-2011 inclusive;

<sup>2</sup> Except for gains from lottery and/or sports bets, from which the value of each gain is less than 1% of the personal allowance.

Income category	Tax rate	Comments
Benefits granted by the employer	12%	Meal tickets, the value of which exceeds MDL 70; personal costs covered by the employer; Cancellation of employee's debts, etc.
Rental income (leasing)	7%	If both landlord and tenant are individuals.
	12%	If the landlord is an individual and the tenant is a legal entity.
	12%	If the landlord is a legal entity and the tenant is an individual or legal entity.
Independent activities carried out within the retail sector (except excisable goods)	1% <small>(but not less than MDL 3,000)</small>	Taxable income = income from independent activities
Royalties	12%	Taxable income = gross income
Income earned by expats and digital nomads	12%	Taxable income = gross income, except: Health insurance contributions

Income category	Tax rate	Comments
Interest earned from bank deposits held by resident individuals	6%	Taxable income = gross income
Income derived from the sale of primary agricultural products to an economic agent	12%	Taxable income = amount of income that exceeds the threshold of MDL 1,2 bn. From sales of such products during a calendar year, without taking into account withholding tax.

## Social Security and health insurance contributions

Salary income	
Employer <sup>1</sup>	Employee
Social security contributions (SSC)	Health insurance contributions (HIC)
24% <sup>2</sup>	9%

<sup>1</sup> Employer, legal entity or individual assimilated to employer, from the private sector, as well as higher educational institutions and medical institutions.

<sup>2</sup> The rate established from the monthly salary and other remunerations.

## Other categories of payers

Payer category	SSC
Independent medical professionals	24% <sup>3</sup>
Day-labourers	6%
Employers from the agricultural sector <sup>4</sup>	24% <sup>5</sup> (18% + 6%)
Employers who provide taxi services <sup>6</sup>	MDL 17,522

<sup>3</sup> Taxable base – the income of a family doctor who is the owner of the family doctor’s practice, established in accordance with legislation.

<sup>4</sup> Employers from the agricultural sector (individuals and legal entities) which during the reporting period carry out not less than 95% of the activities stipulated by groups no. 01.1-01.6 of the Classification of Economic Activities in the Republic of Moldova.

<sup>5</sup> 6% of contributions due by the employer are compensated from the state budget, thus the employers concerned pay only 18% of contributions due by the employer.

<sup>6</sup> Employers who provide taxi services are required to declare and pay individual social security contributions for persons employed based on individual employment agreements, who carry out passenger transportation by taxi.

\* Appendix 1 to Law no. 489/1999 on the public social security system also stipulates other categories of payers, besides the above-mentioned categories.

## Other types of taxable income

Income source	HIC	SSC
Meal tickets (≤ MDL 70)	—	24%
Meal tickets (≥ MDL 70)	9%	24%
Benefits granted by the employer, fees, commissions, bonuses and other similar remunerations	9%	24%
Material aid granted by the employer	9%	24%
Copyrights	—	—
Rental income	—	—
Income from property management (dividends, percentages, equity shares)	—	—
Travel expenses for business purposes	—	—
Gambling	—	—
Gains from lottery winnings	—	—
Patent holders’ income	—	—

## Tax regime for residents of free economic zones

Residents of free economic zones benefit from the following tax incentives:

### Corporate income tax

- Exemption from 50% of the tax rate established in the Republic of Moldova on income derived from the export of goods (services) originating in a free economic zone outside the borders of the Republic of Moldova.
- Exemption from 75% of the tax rate established in the Republic of Moldova on income derived from activities other than the export of goods (services).
- Full exemption from corporate income tax for a three-year period on income derived from the export of goods (services) originating from a free economic zone outside the borders of the Republic of Moldova, as a result of investments of at least USD 1 million in the free economic zone.
- Full exemption from corporate income tax for a five-year period, on income derived from the export of goods (services) originating from a free economic zone outside the borders of the Republic of Moldova, as a result of investments of at least USD 5 million in the free economic zone.

### VAT

- VAT with credit exemption for goods (services) delivered within free economic zones.
- VAT with credit exemption for goods (services) delivered in free economic zones from outside the Republic of Moldova, goods (services) delivered from free economic zones to outside the Republic of Moldova, goods (services) mutually delivered by residents of different free economic zones in the Republic of Moldova.

# EXCISES

Exemption from excise duties is applicable for goods subject to excise duties introduced into free economic zones from outside of the customs territory of the Republic of Moldova, from the rest of the customs territory of the Republic of Moldova, as well as for goods originating from this zone exported outside the customs territory of the Republic of Moldova.

## IT Park residents' tax regime

### Taxable subjects

IT park residents are required to pay to the state budget, on a monthly basis, a single tax of 7% calculated from the taxable base, but not less than the established minimum amount.

### Taxable base

The taxable base of the single tax for IT park residents is the revenue from sales, registered monthly in the accounting records.

### Single tax

The minimum amount of the single tax is established on a monthly basis for each employee and represents 30% of the average monthly salary, forecast for the year to which the fiscal period relates.

The single tax is calculated and declared by IT park residents on a monthly basis by the 25th of the following month.

The single tax includes the following taxes, fees and contributions:

- Corporate income tax.
- Personal income tax.
- Social security contributions due by employers.
- Health insurance contributions due by employees.
- Local taxes.
- Property taxes.
- Fee for the use of roads by vehicles registered in the Republic of Moldova.

# SMALL AND MEDIUM BUSINESS SECTOR TAX REGIME

## Taxable subjects

Companies not registered for VAT purposes, except for farm households (farmers), individual entrepreneurs, as well as companies which registered for the last year a share of income higher than 60% of sales revenue from business and management consultancy services (p.70.22 of the Classification of Economic Activities in the Republic of Moldova).

## Taxable base

Revenue determined in accordance with the financial accounting, earned within the fiscal reporting period.

## Corporate income tax rate

The income tax rate represents 4% of the taxable base. The tax is calculated on a yearly basis. The payment should be made in quarterly installments, by the 25th of the following month.

## Exception

Small and medium sized enterprises will be subject to taxation according to the general tax regime if, during the fiscal period, any of the associates/shareholders holds more than 25% of the value/number of participation titles or voting rights of more than 3 small or medium sized enterprises.

## Tax on income earned in the Republic of Moldova by non-residents

Withholding tax is generally applied on income earned in the Republic of Moldova by nonresidents, such as:

- Dividends;
- Interest;
- Royalties;
- Income from debt rights assignment;
- Income from sale of goods;
- Income from supplies of services, including management, financial, consultancy, audit, marketing, legal, intermediary, or informational services, rendered to a resident or nonresident that has a permanent establishment in the Republic of Moldova, if this income represents expenses incurred by the permanent establishment;
- Income from capital gains;
- Penalties for not performing or inadequate execution of obligations;
- Income from leasing transactions, from renting or subleasing, from leasing or beneficial ownership of property located in the Republic of Moldova;
- Income from leasing transactions, from renting or subleasing, from leasing or beneficial ownership of ships, aircraft and/or rail or road transport, as well as containers;
- Income from premiums based on insurance or reinsurance contracts;
- Income from international transport by sea, air, rail or road, except when the transport is carried out only between points located outside the Republic of Moldova;
- Income derived from activity carried out according to employment agreements or other civil contracts;
- Income from benefits granted by the employer (beneficiary) to nonresident individuals;
- Payments made by resident voluntary pension funds;
- Income earned by artists, such as theatre, circus, film, radio, television artists, musicians and athletes;
- Income derived from rendering professional services and other than above-mentioned services;
- Income from awards in competitions;
- Commissions;
- Gains from gambling and promotional campaigns;
- Income derived from payments on liquidation of a resident.

# Tax rates

**12%** standard tax rate

**6%** for dividends

**15%** for dividends, in the form of shares or share-parts, related to undistributed profit earned during FYs 2008-2011 inclusive

**15%** from the amount drawn out from share capital due to share capital increase through net profit redistribution and/or other sources found in share capital between shareholders (associates) during FY2010-2011, according to the participation quota of the share capital

These tax rates are not applicable to income of a non-resident related to the activity of its permanent establishment in the Republic of Moldova and income earned as salary.

# Conventions for the avoidance of double taxation

Based on the conventions for the avoidance of double taxation concluded between Moldova and other countries, non-residents' income can be subject to a reduced rate or can be exempt from taxation in Moldova, under certain conditions, if a tax residence certificate is made available.

The provisions of international treaties prevail over Moldovan tax legislation, and if the international treaties and the Moldovan tax legislation provide different rates of taxation, the more favourable tax rates should be applied.

The following countries have concluded double taxation conventions with Moldova:

Albania	Germany	Poland
Armenia	Greece	Portugal
Austria	Hungary	Romania
Azerbaijan	Ireland	Russia
Belarus	Israel	Serbia
Belgium	Italy	Slovakia
Bosnia and Herzegovina	Japan	Slovenia
Bulgaria	Kazakhstan	Spain
Canada	Kuwait	Switzerland
China	Kyrgyzstan	Tajikistan
Croatia	Latvia	The Netherlands
Cyprus	Lithuania	Turkey
Czech Republic	Luxembourg	Turkmenistan
Estonia	Macedonia	Ukraine
Finland	Malta	United Arab Emirates
France	Montenegro	United Kingdom
Georgia	Oman	Uzbekistan

# Valued Added Tax

## VAT Rates

**20%** standard rate

**8%** rate for the HORECA sector (i.e. accommodation services, regardless of comfort category, for food and/or beverages (excluding alcoholic products) prepared or unprepared for human consumption accompanied with related services allowing their immediate consumption

**8%** the reduced rate for certain goods/products, such as supplies and/or (as appropriate) import of: bread and bakery products, milk and dairy products, medicines, natural and liquefied gas, zootechnics, pyrotechnics and horticulture products, sugar from sugar beet, solid biofuel destined for electricity production, heat and hot water

## VAT deduction right

Taxpayers registered for VAT purposes are entitled to deduct input VAT related to the acquisitions/import of goods/services exclusively used for their economic activity giving rise to a VAT deduction right.

## Limitation of the VAT deduction right

- The VAT deduction right related to the acquisition of goods/services used for performing taxable supplies, as well as for VAT exempt without credit supplies, is calculated on a monthly basis by applying the pro rata. However, the VAT deduction is fully allowed if the amount of the monthly pro-rata is less than the coefficient of 0.05;
- The VAT deduction right related to the acquisition of goods/services used for maintenance, operation and repair of vehicles used by persons specified in the minor groups 112 and 121 of the Classifier of Occupations in the Republic of Moldova (i.e. directors, administrative managers) is limited to one car for each person specified in these groups;
- The VAT deduction right related to the acquisition of goods/services from a supplier included in the list of taxpayers required to use electronic fiscal invoices (e-factura) is applied only if the taxpayer has the electronic fiscal invoice issued by the supplier.

## Non-deductible VAT

- VAT related to acquisition of goods, or services used for other purposes than entrepreneurial activity.
- VAT related to acquisition of goods that have been stolen or constituted natural waste or goods which have passed their expiry date and which are in addition to the monthly thresholds established by the enterprise's manager.
- VAT related to the acquisition of goods or services used for entertainment activities.

## VAT Exemptions

### VAT with credit exemption:

- Export of goods and services.
- Electricity, thermal energy and hot water for residential real estate.
- Services for the international transport of goods and/or passengers.

### VAT without credit exemption:

- Housing and land (supply, lease/rent, the right of delivery and rent).
- Financial and banking services.
- Local passenger transportation services.
- Vehicles.

## The place of VAT taxation

- Supplies of goods: the place where the goods are located when the supply is carried out.
- Supplies of services: the place where the customer has established its business (with certain exceptions).

## VAT chargeability

- Transactions other than imports of services: date of delivery of goods, supplies of services (with certain exceptions).
- Import of services: the date of submission of the VAT return for the fiscal period when the import of services or the payment was made, based on whichever occurs earlier.
- Import of goods: the date of declaration of the goods in customs or, in certain cases provided by customs legislation, the date of the payment term extension.

## Small and medium sized businesses

Annual turnover	
< MDL 1,200,000	optional registration for VAT purposes;
> MDL 1,200,000	mandatory registration for VAT purposes.

## Nonresidents (providers of electronic services to resident individuals)

Services rendered through electronic networks by non-residents carrying out entrepreneurial activity without holding an organisational-legal form in the Republic of Moldova to resident individuals: chargeable on the payment date, including advance payment.

Registration for VAT purposes is mandatory during the first fiscal period when the obligation for VAT calculation and payment occurs up to the date the VAT return is due, regardless of the nonresident's turnover.

VAT compliance and payment - quarterly, by the 25th of the following month.

## Invoicing rules

- A fiscal invoice must be issued for each taxable supply made in Moldova.
- In the case of public acquisitions – the issuance of an electronic fiscal invoice is mandatory.
- Taxpayers included in the list of companies required to use electronic fiscal invoices, approved by the State Tax Service, are required to issue only electronic fiscal invoices.

## VAT compliance and payment

Monthly, by the 25th of the following month.

## VAT deregistration

The State Tax Service is entitled to independently cancel VAT registration in the following situations:

- Failure to submit the VAT return for each fiscal period.
- Declaring incorrect information in relation to headquarters and places of business.
- If a taxpayer in the process of liquidation did not submit a VAT de registration request due to the liquidation process before a tax audit starts.

## Taxable base adjustment

The taxable base of a VAT taxable supply must be adjusted after the delivery was carried out or the payment was made, in the following specific cases:

- If the value of taxable supply, approved in advance, has changed as a result of price changes.
- If the taxable supply has been totally or partially returned to the taxpayer which carried out the supply.
- If the taxable base of the VAT taxable supply has been reduced as a result of a discount granted.

## VAT adjustment in the case of bad debts

The taxpayer will proceed with the adjustment of output VAT, if after the VAT was declared, the total amount or a part of the delivery carried out is considered as a bad debt.

## Transfer of assets in the case of a taxpayer's reorganisation

The transfer of assets within a reorganisation process of a taxpayer are outside the scope of VAT. Hence, in the case of reorganisation, the taxpayer's successor takes over the VAT to be paid/for refund or the right to ask for refund, so that the purchasing taxpayer replaces the purchased entity with respect to these rights/responsibilities.

## The postponement of VAT payment on imports of goods

As a general rule, VAT on imports is paid to the customs authorities and is deducted via the VAT return. However, the taxpayer can obtain an extension of the VAT payment deadline in customs, in the following specific cases:

- If the taxpayer is an Authorized Economic Agent, they are entitled to pay import duties after the submission (validation) of the customs declaration. The maximum extension of the payment deadline is 30 calendar days.
- If the taxpayer is a producing entity that imports raw materials, materials which are accessories, primary packaging and accessories for the production of goods destined only for exports. The maximum extension of the payment deadline is 180 calendar days.

In both cases, the submission of the customs declaration must be preceded by a guarantee that would cover in full the value of import duties.

## Reverse charge mechanism

In the case of supply of property owned by entities declared to be in an insolvency process (except for those involved in a restructuring procedure and plan realisation) that takes place on the territory of the Republic of Moldova to legal entities and individuals that carry out entrepreneurial activity, including persons who carry out professional activity, the beneficiary is the entity/individual required to pay the VAT in Moldova, and the reverse charge mechanism is applied.

# Excise duties

- caviar and caviar substitutes.
- ethyl alcohol and alcoholic beverages.
- processed tobacco.
- petrol and its derivatives.
- light and medium (distilled) oils.
- perfumes and eau de toilette.
- fur clothing (made of mink, arctic fox, fox, sable).
- means of transport (cars and vehicles).

## Excise rate

The excise duty rate can be expressed as a specific amount per unit or ad valorem as a percentage of the goods' value.

## Taxable subjects

- Authorised warehouse keepers that produce and/or process excisable goods in the Republic of Moldova;
- Legal entities and individuals that import excisable goods.

## Excise duties chargeability

Excisable goods are subject to excise duties when they are:

- Dispatched (transported) from the fiscal warehouse.
- Imported into the Republic of Moldova.

## Exemptions from excise duty payments

- Import of goods for personal use or consumption by individuals, whose value or quantity does not exceed the threshold of: EUR 430 – in the case of air and sea transportation, or EUR 300 – in the case of land transportation;
- Goods introduced via international post by individuals within commercial transactions (B2C –business to consumer), whose intrinsic value or quantity does not exceed the threshold of EUR 150.
- Import of excisable goods qualified as humanitarian aid, as established by the Government.
- Export of excisable goods independently or based on a commission agreement.
- Placement, delivery from the customs territory to duty-free shops and supply of excisable goods by duty-free shops, as well as excisable goods introduced to the customs territory and placed in transit customs regimes.
- Placement of excisable goods in a free economic zone.
- Placement of excisable goods in a temporary admission customs regime, etc.
- Excisable goods:
  - a. Destined for technical assistance projects, carried out on the territory of the Republic of Moldova by international organisations and donor countries within the limits of the treaties to which Moldova is a party to.
  - b. Financed from grants granted to the Government, destined for the realisation of the projects concerned, as well as from grants granted to institutions financed by the state budget.

# CUSTOMS DUTIES

Goods and means of transport that cross the Republic of Moldova customs border are subject to customs clearance and control.

Customs duties are established as a percentage of the customs value (ad valorem), ranging between 0% and 22%, except for certain goods for which a specific customs duty is applicable, such as: meat, butter, sugar, beer, ethyl alcohol and cigarettes.

The customs duty is calculated and charged based on the customs value of goods up to or when the customs declaration is submitted.

The customs value is established according to Moldovan legislation, the main method used

for this purpose being “the transaction value method” (i.e. the price paid or to be paid for the valued goods).

## The following customs regimes are established in Moldova:

- Definitive: import, export.
- Suspensive: transit, customs warehouse, inward processing (with suspension), transformation under customs control, temporary admission and outward processing.

Customs regimes with economic impact: customs warehouse, transformation under customs control, temporary admission and outward processing. Currently, the following legislative acts are in force:

- The Customs Code of the Republic of Moldova;
- The Integrated Tariff of the Republic of Moldova (TARIM); and
- Other normative acts and international agreements to which Moldova is a party.

## Property and local taxes

The most common property and local taxes due to the local authorities are real estate tax, wealth tax, the area development fee, the advertising placement fee, the fee for commercial entities and/or entities providing services, etc.

Local taxes are calculated and paid on a quarterly basis, by the 25th of the following month.

The rates for local taxes are established by the local public authorities based on the characteristics of taxable objects.

## Real estate tax

Real estate tax is due on an yearly basis.

### Real estate tax rates

For residential purposes (apartments and houses, related land); for garages and land on which they are placed, land used for fruit growing, with or without constructions being placed on it:

Maximum rate	0.4% of the taxable base
Minimum rate	0.05% of the taxable base

Agricultural land with constructions placed on it:

Maximum rate	0.3% of the taxable base
Minimum rate	0.1% of the taxable base

The actual rate is established annually by the representative and deliberative authority of the local public administration.

## Wealth tax

Wealth tax is due on an annual basis by individual owners of residential real estate, including holiday houses (except land), on the territory of the Republic of Moldova, all of which cumulatively meet the following conditions:

- a. the total estimated value is MDL 2 million and more;
- b. the total area is 120 m<sup>2</sup> and more.

### Wealth tax rates

0.8% of the taxable base, which should be paid by 25 December of the reporting year. The calculation of wealth tax and presentation of payment notices is carried out by the State Tax Service by 10 December, for the situation as at 1 November of the reporting year.

## The area development fee

### Taxable subjects

Legal entities or individuals registered as entrepreneurs and persons that carry out professional activity in the justice system, who have a taxable base.

### Taxable object

- The average quarterly number of employees, and additionally:
- In the case of individual entrepreneurs and farm households (farmers)- the founder of the individual enterprise, or the founder and members of farm households (farmer);
- In the case of persons that carry out professional activity in the justice system – the number of persons authorised by law to carry out professional activity in the justice system.

### The area development fee rates

Are established on a yearly basis by local administrative authorities.

## Commercial and/or services rendering units fee

### Taxable subjects

Individuals who carry out entrepreneurial activity and legal entities that have taxable objects.

### Taxable objects

Units that, according to the Classification of Economic Activities in the Republic of Moldova, correspond to the activities listed in Appendix no. 1 to Law no. 231/2010 on internal trade.

### Tax rates

Are established on a yearly basis by the local public authorities.

# Transfer Pricing

## Taxable subjects

A taxpayer which, during a tax period, carries out transactions with affiliated parties with a total value, calculated by adding up the value of all transactions carried out with affiliated parties, VAT excluded, ranging between MDL 20,000,000, and MDL 50,000,000, is required to prepare and present transfer pricing information. A transfer pricing file only needs to be prepared and presented by the entity if requested by the Tax Authorities.

A taxpayer which carries out transactions, during a tax period, with affiliated parties with a total value, calculated by adding up the value of all transactions carried out with affiliated parties, VAT excluded, greater than MDL 50,000,000, is required to prepare and present transfer pricing information and also a transfer pricing file.

## General rules

When determining taxable income, the taxpayer must respect the arm's length principle in transactions with related parties.

## Methods of verification

In cases when the arm's length principle has not been applied within a transaction and/or a group of transactions with related parties, the Tax Authorities may adjust the amount of income earned or expenses incurred by any of the related parties based on the price determined according to the arm's length principle. In cases when the arm's length principle has not been applied within transactions, the taxpayer may make the adjustment voluntarily, on condition that the income tax declared to the state budget is not reduced. The following methods may be used:

- Comparable price method;
- Cost plus method;
- Resale price method;
- Transactional net margin method;
- Profit split method;
- Any other method recognised in the OECD Transfer Pricing Guidelines.

## Reporting deadline

Information on transfer pricing must be presented no later than the 25th of the third month following the current tax period (i.e. 25 March).

## Non-compliance fines

- Late presentation of the information and/or transfer pricing file will be penalised with a fine of MDL 30,000 to MDL 50,000;
- Presentation of inaccurate information and/or an inaccurate transfer pricing file, resulting in a reduction in, or avoidance of tax obligations will be penalised with a fine of MDL 150,000 to 200,000 MDL;
- Failure to present the information and/or transfer pricing file will be penalised with a fine of MDL 300,000 to MDL 500,000.

# Fiscal Administration

## Electronic tax returns

Since 1 January 2023, it has been mandatory for all individuals who carry out entrepreneurial activity to submit tax returns electronically.

Solving requests

The legal term for settling requests submitted by tax payers is generally 30 days.

## Advance Individualised Tax Solution

An Advance Individualised Tax Solution is issued at the request of individuals and legal entities that carry out entrepreneurial activity, as established by the Government.

The Advance Individualised Tax Solution is issued against payment, as follows:

- For taxpayers managed by the General Administration of Large Taxpayers – MDL 60,000;
- For other categories of taxpayers - MDL 30,000.

The issuance deadline for the Advance Individualised Tax Solution is up to 90 days from the date of receipt of the request by individuals and legal entities that carry out entrepreneurial activity.

## Statute of limitations

The statute of limitations period for assessing tax obligations is 4 years, starting from the date of the last deadline for submitting the relevant tax return or from the date a breach of tax legislation occurred.

For settlement of tax obligations by payment or for refunds of overpayments of tax, the statute of limitations period is generally 6 years.

## Late-payment interest

For 2024, the late payment interest rate for overdue payment of fiscal obligations is **10% per year/ 0,0274% per day** (determined as the basic rate established by the National Bank of Moldova in November of the year preceding the fiscal year for short-term monetary policy operations, rounded up to the next whole number and increased by 5 points).



General Information  
about Moldova

Taxation

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Our services  
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# Legal aspects

The Soroca fortress, the Republic of Moldova

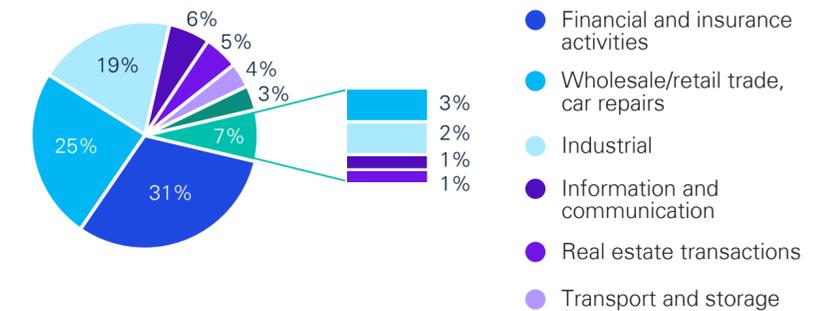
# Sectors open to foreign investment

The main economic sectors in Moldova include agriculture, with a strong focus on fresh produce production; winemaking, with internationally recognized brands; light industry, especially textiles and footwear; meat and dairy; construction; cosmetics; the automotive industry. Services represent over 60% of total economic activity.

Information and Communication Technology is one of the most promising economic sectors in Moldova, contributing over 10% to GDP. IT companies export approximately 80% of total production, with major partners in this area in countries such as the United States, Great Britain, France, Germany, the Netherlands and Romania.

According to the previous graph, the largest shares of Foreign Direct Investment (FDI) in 2022 are in the financial sector, energy, industry, trade and ICT.

## Destination of the investments



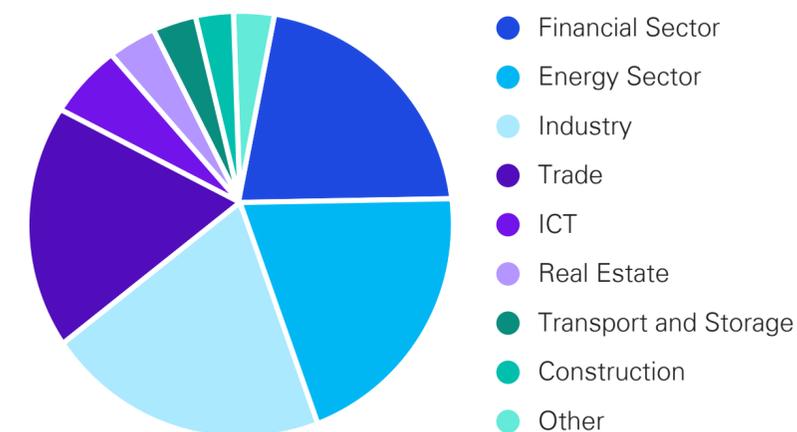
Source: [Economic-overview.pdf \(gov.md\)](#)

As the above graph shows, the major destinations of foreign investment in Moldova in 2022 were financial and insurance activities, wholesale / retail trade, car repairs, industrial and information and communications.

Investments of importance for state security are the following:

- Development of infrastructure in the fields of energy, transport, water and sewerage, aerospace, defense and in relation to the organisation of elections;
- Development of artificial intelligence, robotics, semiconductors, cyber security and aerospace technologies;
- Management of airports, bus stations, railway traffic, internal waterways, ports and quays for navigable traffic;
- Television broadcasts/audiovisual services;
- Supply of mobile or fixed electronic communications networks and/or services;
- Supply of services in national ports;
- Administration of public state registers, information security.

## Foreign direct investment (FDI) stock in sectoral distribution



Source: [Foreign-Direct-Investment.pdf \(gov.md\)](#)



The Triumph Arch in Chişinău city

## Establishment of companies

Foreign investors may establish new companies or acquire shares in existing companies.

### Legal forms

Companies may be organised in the following legal forms:

- Sole proprietorship (is not a legal entity)
- General partnership
- Limited partnership
- Limited liability company
- Joint stock company
- Business cooperative
- Loan associations
- Production cooperative.

Foreign legal entities may also establish branches in Moldova.

### Number of shareholders

A limited liability company or a joint stock company may have only one shareholder, although a joint stock company may not have only one shareholder if that shareholder is another company made up of one shareholder.

### Size of share capital

The size of share capital is as follows:

For a limited liability company	no minimum threshold.
For a joint stock company	minimum threshold of MDL 600,000 (EUR 31,235).

However, certain types of entity (e.g. banks, insurance companies and investment funds) are subject to significantly higher capital requirements.

### Forms of foreign investment

The foreign investment can take the form of:

- property rights over movable and immovable property, as well as other real rights;
- any right granted by law or contract, any license or authorization granted in accordance with the legislation in force, including concessions for research, cultivation, extraction or exploration of natural resources;
- rights derived from shares or other forms of participation in commercial companies;
- financial means;
- rights of monetary claims or other forms of obligations towards the investor that have economic and financial value;

- intellectual property rights: the right to industrial property objects (invention patents, utility models, product brands and service brands, company names, names of origin of products, industrial designs and models, patents for plant varieties, topographies of integrated circuits), copyright and related rights, trade secret (know-how), goodwill;
- other contractual rights, including those resulting from the public-private partnership.

### Registration

A company (or branch) established by foreign investors must be registered at the Public Services Agency.

For this purpose, foreign legal entities must submit an extract from the register of companies (trade register) of their country, a resolution in relation to the establishment (acquisition) of the company (branch), and constitutive documents, relevant notarised power of attorney (if applicable) and necessary documents, forms for the identification of the ultimate beneficial owner. For the registration of a branch, an additional regulation must be adopted, together with the financial statements of the foreign legal entity according to the last reporting period.

These documents must be certified in accordance with the law of the foreign investor's home country and legalised by the appropriate Moldovan consulate or by apostille, subject to the treaties entered into by the Republic of Moldova. Note that Moldova is a member of the Hague Convention for Abolishing the Requirement of Legalisation for Foreign Public Documents. Such documents must also be accompanied by a certified translation into Romanian.

To register a newly established company, the founders (among other requirements) must also provide proof of payment of its share capital.

Registration takes up to 24 hours (standard procedure) or 4 hours (urgent procedure).

## Licensing

Certain industries in Moldova require specific licences and regulatory compliance, such as financial services, healthcare, education, food and beverages, construction, tourism and hospitality.

At the same time, for some of the provided industries – licensing was abolished (some types of activities in healthcare, constructions, tourism, education, food and beverages).

Most licences are granted for 5 years; the licence fee for most activities is MDL 3,250 (about EUR 170). However, each licence, permissive act must be analyzed separately, as the fees and terms may vary.

## Authorisations

In addition to licences, business entities may be required to obtain various authorisations, permissions, consents and certificates, depending on their type of activity or products, e.g., in relation to certification of products, environmental, sanitary, fire prevention and safety compliance and placement of business facilities.

## Bookkeeping and audit requirements

### Bookkeeping

There are bookkeeping requirements for each legal entity for fiscal and statistical purposes. The Moldovan accounting system closely follows that of International Accounting Standards (IAS). Reporting is required every month or quarter, usually by 25th of the following month, depending on the type of tax declared. Reporting is required every year, except for public interest entities and public institutions which are required to provide semiannual and annual reports. Reporting must be in Romanian although an entity can keep its books in more than one language for internal purposes.

Public interest entities must keep their accounting records and prepare financial statements in accordance with International Financial Reporting Standards (IFRS).

Starting from 1 January 2025, presentation of information related to profit tax by certain entities and branches (i.e., Country by Country reporting) will enter into force.

### Audit

Certain companies are required to have their accounts audited, as medium and large entities and group of entities, public interest entities (banks, insurance companies, listed entities and investment funds) and certain specific types of entities are required to by law (e.g., Energy, Gas and IT entities). These audits are carried out in accordance with the International Standards on Auditing (except IT entities).

## Employment

Employment relationships in companies which are wholly or partly owned by foreign investors are governed by Moldovan labour law, collective bargaining agreements (if any), internal regulations and individual employment contracts.

Employers are required to initiate negotiations concerning collective bargaining agreements only if trade unions request this.

### Hiring

An individual employment contract must be concluded between two parties (i.e., employer and employee) and must always be accompanied by its supporting documents (i.e., hiring order, identity card etc.).

An individual employment contract may be for a fixed term (in the cases provided by the Labor Code) or for an indefinite term (as a general rule).

Upon hiring, a trial period may be fixed (the period is usually agreed between the parties in the individual employment contract).

With some exceptions, an employee may not be required to carry out work not provided for in his/her individual employment contract without his / her consent.

## Work and rest time

With certain exceptions, work time may not exceed 40 hours per week.

Generally, employees are required to work five days during a working week. However, depending on the nature of the work, an employer may set a six day working week, subject to the consent of trade unions (if any) and the local administration.

Certain employees may have an unlimited working day, or a reduced working day or working week, or work in shifts.

The law allows overtime work for certain instances. Overtime work is paid for the first two hours, at the rate of at least 1,5 basic wages established for the employee per unit of time, and for the following hours - at least at double the standard amount.

Employees may be required to work on days off only in exceptional cases set out in the law, subject to the consent of trade unions (if any).

Employees, except for temporary and seasonal employees, are entitled to at least 28 calendar days of paid annual leave.

## Remuneration

An employee may be paid by piece, by time or by other methods. Remuneration may be in the form of wages, premiums, allowances, bonuses or other kinds of benefit.

The law stipulates a minimum wage in Moldova which is usually set for each year. The minimum salary for FY 2024 is MDL 29.58 per hour or MDL 5,000 (about EUR 260) per month.

The law also provides for mandatory allowances for specific types of work, including work in adverse conditions, night work, overtime work, work on days off or holidays, combining jobs and/or substituting for temporarily absent employees, performing services requiring various qualifications and handling multiple tool machines. Companies may increase the minimal amount of mandatory allowances and apply other kinds of compensatory or inventive allowances and premiums. One of the most recent innovations in local laws is the mechanism of phantom stock – according to which, the employees may be awarded bonuses which are taxed as dividends, given certain conditions which must be met.

Employees must be paid at least once a month. Some categories of employees must be paid twice a month.

Employees must be paid in Moldovan lei, regardless of their nationality. Foreign nationals, however, have the right to convert and export their salaries in foreign currency.

Employees are entitled to compensation for expenses related to business trips, paid holidays, paid sick leave and paid maternity leave.

## Dismissal

An employee may be dismissed only on the grounds of and in accordance with the procedure set out by the law and according to the conditions agreed in his/her individual employment contract.

## Foreign personnel

Moldovan companies are allowed to hire foreign nationals.

Foreign employees are required to obtain work permit from the General Inspectorate of Migration.

Temporary immigration certificates and work permits are generally granted for one year, with the possibility of an extension for additional one-year terms.

Some categories of foreigners can work on the territory of the Republic of Moldova on the basis of a visa, the right of residence or the right of temporary residence, as the case may be, without first obtaining the work permit (for example shareholders and members of the board of directors of the local company, who make foreign investments and do not hold remunerated positions within it or the administrator of the local company, for a period that must not exceed 90 calendar days during any period of 180 calendar days etc).

The decision on the granting of these documents must be taken within 30 days of the submission of all necessary documents.

Residence permits are granted for a term of 1-5 years.

Moldovan citizens may be employed outside Moldova.

## Trading

### Import/export

Any Moldovan company (including those wholly or partly owned by foreign investors) may engage in foreign economic activity.

### Licensing

The export (re-export) and import of certain categories of goods (including strategic goods), e.g., pharmaceutical and medical products and equipment, explosive materials, pyrotechnics and waste from ferrous and non-ferrous metals etc. requires a licence (permission).

This licence may be granted for transactions with a specific country (or group of countries) within a specific quota (general licence) or for a specific transaction (ordinary licence). Both licences are granted for a specific term.

## Pre-shipment inspection

### Certification

Before entering into contracts for the export of certain categories of products to Moldova, importers must obtain certification for these products or recognition of their certificate of conformity with the Moldovan certification system.

## Marking

Imported consumer products sold by retail (or their label, packaging or accompanying documents) must contain certain information about them stated in Romanian.

## Customs clearance

Goods and vehicles entering Moldovan territory must be declared to the Moldovan customs authorities, as must any change in the customs regime of goods or vehicles already in the country.

Moldovan individuals or legal entities, as well as foreign individuals or legal entities may declare such goods through licensed customs brokers.

There are various customs regimes in which goods may be declared, including import, export, transit, which includes external transit and internal transit; storage, which includes the customs warehouse and free zones; specific use, which includes temporary admission and final destination; processing, which includes active processing and passive processing. The choice of the regime will determine the applicable taxes and duties and the amount and timing of their payment.

## Pricing

Moldovan companies may independently fix prices for goods and services, with some exceptions (e.g., electricity, utilities, some telecommunications services, some passenger transport, as well as locally produced medicines).

In addition, for certain socially important goods (e.g., bread, flour, vegetable oil, dairy products, butter, sugar, detergent, construction materials) the maximum profit margin for sale in Moldova is 20%.

A list of monopolies and the goods and services produced or provided by them has been issued by the Moldovan Ministry of Finance, which regulates prices or profits which can be made on the sale of these items.

## Currency controls

### Bank accounts

Both residents and non-residents may freely open bank accounts in any currency with Moldovan authorised banks.

Resident companies (except for Moldovan authorised banks) may open bank accounts in foreign banks only with the permission of the National Bank of Moldova.

## Transfers

Residents may not transfer money from their foreign exchange accounts to the foreign exchange accounts of other residents (except to accounts of Moldovan authorised banks), since the transfers between residents can be performed only in the local currency (i.e. MDL).

Resident companies (other than authorised Moldovan banks) may transfer money from their foreign exchange accounts to accounts of non-residents only where permitted by law, e.g., current account operations, settlement of debts registered with the National Bank of Moldova, repatriation of foreign investment as well as transfers for which the resident has obtained the permission of the National Bank of Moldova.

Debts that require notification to the National Bank of Moldova include foreign trade loans (except for factoring operations), and financial loans (except for interbank loans for up to one year, loans granted by non-residents through credit cards and external guarantees issued by non-residents for transactions between two residents).

Permission of the National Bank of Moldova is required for financial loans granted by residents to non-residents (except for interbank loans for up to one year and financial leases) and for guarantees issued by resident guarantors other than banks for transactions between two non-residents.

Resident companies can make payments in foreign currency only by transfer. Non-residents can pay resident companies in foreign currency in cash only under contracts for international sale (or lease) of goods (or services) and for payment of share capital contributions (subject to presentation of a customs declaration for import of the relevant amount into Moldova and a power of attorney).

## Acquisition of foreign currency

Resident companies may buy or sell foreign currency only from or to authorised dealers and only for making permissible foreign currency payments.

## Repatriation of transaction proceeds

With some exceptions, resident companies are required to:

- Pay the profits from their exports into an account at a Moldovan authorised bank;
- Import the goods and services for which they have paid or (if the import has not been made) ensure that advance payments are paid into an account at a Moldovan authorised bank;
- Repatriate funds and/or goods received as a result of other international business transactions.

The term within which the money (goods, services) must be repatriated depends on the type of transaction, e.g., for sale, barter and export commission contracts – 3 years from the date of shipment or the date of payment.

In the event of a failure to repatriate, the company is required to pay a penalty of 0.05% of the non-repatriated value of money (goods, services) per calendar day, up to 18% of the non-repatriated funds (goods, services). In addition, Moldovan commercial banks and customs authorities must suspend the company's export-import operations. Even if the penalty is paid it does not exempt the company from the obligation to repatriate funds (goods, services).

In certain cases, this penalty is not imposed, e.g., claims relating to the quality and quantity of goods (confirmed by the relevant authorities), court proceedings (for the duration of the proceedings), supply of spare parts pursuant to a warranty and *force majeure* events.

## Cash transactions

Withdrawal of cash in foreign currency and receipt of traveler's checks in foreign currency abroad through a card issued by a licensed bank from the account of a resident natural person is allowed in an amount not exceeding 10,000 euros/month.

The importation of foreign currency into Moldova is not limited.

Upon exiting Moldova, individuals may freely export foreign currency in cash up to the equivalent of EUR 10,000 per person.

However, individuals may export foreign currency in cash up to the equivalent of EUR 50,000 per person if they have declared this in their Moldovan customs declaration upon their entry to the country, and/or have received authorisation from a Moldovan authorised bank (for foreign currency transferred to their accounts at this bank).

Amounts exceeding EUR 50,000 may be exported only by transfer.

## Competition

Moldovan competition legislation prohibits the following types of anti-competitive activity:

- Abuse of dominant position;
- Anti-competition agreements;
- Unfair competition (prohibited actions or inactions of public authorities to restrict, prevent or distort competition).

The Competition Council, when exercising the powers conferred by the law, including the power of investigation, ensures compliance with the general principles of European Union law on competition and the Convention for the Protection of Human Rights and Fundamental Freedoms.

Competition law is applied taking into account the applicable jurisprudence of the Court of Justice of the European Union and other interpretation instruments of the institutions of the European Union.

Economic concentration operations are subject to evaluation and are to be notified to the Competition Council before implementation, when the total worldwide turnover achieved cumulatively by the companies involved, recorded in the year prior to the operation, exceeds 50,000,000 lei and there are at least two companies involved in the operation that achieved on the territory of the Republic of Moldova, each in part, a total turnover of more than 2,000,000 lei in the year preceding the operation.

The fine for anti-competitive activities are calculated based on the seriousness of the act/activity and may vary from 1% to 4% of the total turnover.

# Intellectual property rights

## Franchising

Foreign companies may enter into franchising contracts with Moldovan companies whereby the former grant to the latter the right to produce and/or sell certain types of products or provide a certain type of service on behalf of and under the trademark of the former in exchange for a fee including an initial one time payment and royalty.

# Protection of intellectual property rights

## Moldovan law

The Moldovan Parliament has approved a number of laws designed to ensure protection of various intellectual property rights, including copyright and related rights, inventions (patents), industrial designs, trademarks, geographic indications of source, appellations of origin, topographies of integrated circuits, and trade secrets.

The authority responsible for protection of industrial property rights is the Moldovan State Agency for Intellectual Property.

# International conventions and organisations

Moldova has signed a number of international treaties and is a member of several organisations for the protection of intellectual property rights, including:

- Stockholm Convention for Establishing the World Intellectual Property Organization (1967);
- Paris Convention for the Protection of Industrial Property (1883);
- Madrid Agreement Concerning the International Registration of Marks (1891);
- Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (1891);
- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (1957);
- Vienna Agreement Establishing the International Classification of the Figurative Elements of Marks (1973);
- Madrid Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (1989);
- Geneva Trademark Law Treaty (1996);
- Patent Cooperation Treaty (1970);
- Strasbourg Agreement Concerning International Patent Classification (1971);
- Geneva Patent Law Treaty (2000);
- Locarno Agreement Establishing an International Classification for Industrial Designs (1968);
- Geneva Act (1999) of the Hague Agreement Concerning the International Deposit of Industrial Designs (1925);
- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958);
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (1977);
- Nairobi Treaty on the Protection of the Olympic Symbol (1981);
- International Agreement for the Protection of New Varieties of Plants (1961);
- Agreement on Trade-Related Aspects of Intellectual Property Rights (2000);
- Agreement on collaboration for the prevention of the violation of rights in the field of intellectual property (1998);
- Agreement on Mutual Securing of Interstate Secrets in the Field of the Legal Protection of Inventions (CIS, 2002);
- Agreement on Cooperation for the Prevention of the use of False Trademarks and Geographical Indications (CIS, 2002);
- TRIPS Agreement.

## Customs protection

The Customs Service intervenes in order to protect intellectual property when there is a request for intervention accepted by the central apparatus of the Customs Service or ex officio, through measures prior to the submission of the request for intervention.

The right holder can request to apply one of the following measures to goods that infringe an intellectual property right:

- destruction;
- transmission free of charge;
- the effective deprivation of the persons involved from the economic profit of the operation.

## Protection of foreign investment

### Repatriation of profits

Foreign investors may transfer abroad foreign currency received from their investment, including:

- Profits, dividends, interest, and other current income;
- Royalties;
- Amounts received from litigation;
- Compensation for damage;
- Amounts received upon liquidation of companies or sale or expropriation of investment or objects of investment.

Foreign citizens may transfer abroad their wages and other employment income in foreign currency.

## Investment guarantees

### Expropriation

Foreign investment in Moldova enjoys full protection and guarantee and may not be expropriated or nationalised or be subjected to other restrictive measures, except in accordance with the law and for just compensation.

The amount of the compensation is established based on the evaluation reports. Payment of compensation is made within 15 working days from the date of receipt of the request of the owner or holder of other rights.

The compensation should be paid in the currency of investment and can be freely transferred abroad.

An investor may challenge in court the legality of the expropriation and the amount of compensation to be paid.

Moldova's bilateral investment treaties may provide additional protection from expropriation.



General Information  
about Moldova

Taxation

Legal aspects

Our services  
in Moldova

# Our services in Moldova

*The gates of the city of Chişinău, the Republic of Moldova*

# Audit

- Audit in accordance with International Standards on Auditing of financial statements prepared in accordance with local GAAP/ IFRS
- Preparation/compilation of financial statements in accordance with Local GAAP, IFRS or US GAAP
- Review, assurance and agreed upon procedures engagements

# Tax

- Tax audit services
- Tax due diligence services
- Tax review services
- Bookkeeping, HR services
- Payroll and tax compliance services
- Transfer pricing services
- Tax advisory services
- Assistance during tax audits

# Advisory

- Deal advisory
- Consulting
  - Risk and Compliance services
  - Regulatory authorisations
  - Public sector consulting
  - Financial management
  - Forensic services
  - Cyber security

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