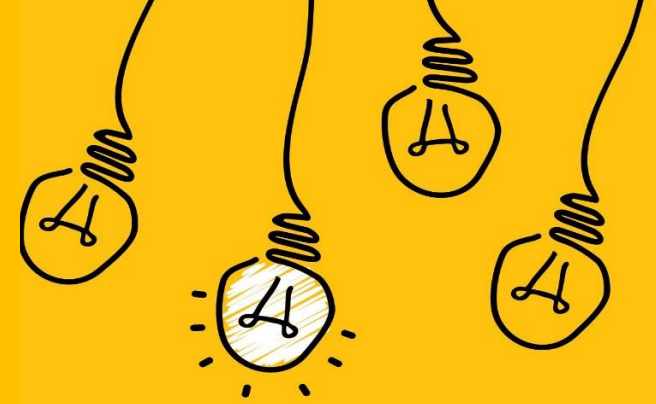


EBA
ADVOCACY
DIGEST
on
Covid 19



12

Legal
Initiatives

5

Accomplished/
Approved

7

In process

March - May
2020

Review on the EBA Policy and
Advocacy agenda concerning
Covid 19 situation

EBA DRIVER FOR CHANGE



Your advertising can be here!

INITIATIVE NO. 1. Analysis on the Covid-19 impact on the business environment from the Republic of Moldova

Description/ Issue: To present:

- Key business challenges in the context of the Covid 19 crisis;
- Aspects regarding the facilitation of both entrepreneurial and professional activity;
- Package of additional measures on tax legislation;
- Aspects related to labor relations.

Status Quo: **In process.** The respective analysis was presented to the Prime-Minister of the RM on April 30.

INITIATIVE NO. 2. Priority measures to support the business environment in the conditions of the Covid-19 epidemiological crisis

Description/ Issue: Were presented the following measures to support the business:

- Decrease of VAT rate for HORECA,
- Postponement of the payment terms for annual and quarter taxes,
- Postponement of the deadlines for submission of financial statements and statistical reports and elimination of the obligation to perform the mandatory external audit for 2019 for medium and large enterprises,
- Completion of ongoing remote tax audits or suspension of ongoing tax audits,
- Urgent payment of all debts or reimbursements that the state has to make to companies

(including VAT refund) and temporary cessation of enforcement by IFS (collection order),

- Introduction of additional fiscal incentives to support the business environment in the process of preventing, eradicating and combating COVID-19 (full deduction of additional expenses incurred by taxpayers, including donations made by taxpayers in the current year to prevent, eradicate and combat COVID-19; tax exemption for advertising devices for advertising agencies that place social advertising on combating COVID-19; etc.),
- Other.

Status Quo: **(Partially) Approved.** Some of the proposals were taken into consideration and were accepted (such as decrease of VAT rate for HORECA, Postponement of the deadlines for submission of financial statements and statistical reports and elimination of the obligation to perform the mandatory external audit for 2019 for medium and large enterprises, Postponement of the payment terms for some taxes).

INITIATIVE NO. 3: Proposals for Tax policy 2021

Description/ Issue: Were presented proposals regarding amendments to:

- Tax Code,
- Customs Code

The main purpose of these proposals is the

reduction of the additional tax burden and ensuring the predictability.

Status Quo: **In process.** The respective Position paper was presented to the Ministry of Finance.

INITIATIVE NO. 4. Application of point 3 of the Decision no. 4 of the Commission for Exceptional Situations of RM

Description/ Issue: To present the explanations on the application of the point 3 of the CES Decision no 4 related to the application of the art. 86, 87,89, 90 of the Labor Code (Dismissal).

Status Quo: **Finalized.** The State Chancellery presented clear explanations on the applicability of the respective Decision on 30.03.2020



INITIATIVE NO.5. Transfer to another job

Description/ Issue: During the state of emergency to allow, based on the order issued by the employer, without the employee's consent, his temporary transfer to another job within the same unit and the same territorial administrative unit.

Status Quo: **In process.** The proposal was not accepted by the relevant authorities. Same proposal was submitted through other position documents

INITIATIVES NO.6. Amendment of the Labor Code - Work at distance.

Description/Issue: To present proposals aiming to improve the new Chapter to be included in the Labor Code "Work at distance"

Status Quo: **Finalized.** The amendment to the Labor Code were approved by Law no 69 from May 21,2020. Some of EBA's proposals were taken into consideration.

INITIATIVE NO. 7: Decision no. 7 of April 4 of the Commission for Exceptional Situation of Chisinau

Description/ Issue: To ensure a proper use of thermal scanners in hypermarkets, supermarkets and neighborhood stores in Chisinau.

Status Quo: **In process.** No reply from the Chisinau City Hall.

INITIATIVE NO.8: Additional measures to support the private sector.

Description/Issue: To use all forms of electronic means in communication with courts and representatives of the justice sector and to extend the term of the General Assemblies organization, including extraordinary ones.

Status Quo: **Finalized.** The proposals were not accepted by the Government.
Not relevant any more.

INITIATIVE NO. 9: Fiscal measures to be approved by the Government

Description/Issue: Were presented and discussed the proposals regarding:
subsidizing enterprises that have established technical and / or stationary unemployment;
interest subsidy.

Status Quo: **Finalized.** The proposals were accepted.

INITIATIVE NO. 10: Fee for the advertising surface in Chisinau

Description/Issue: To reduce the value of tax proposed for the advertising surface in Chisinau to 350 MDL per square meter.

Status Quo: **In process.** The draft Decision is under discussions with all relevant stakeholders.

INITIATIVE NO. 11: 3rd Package of Fiscal measures to support business.

Description/Issue: The proposals in terms of this Package include the following:

- Granting tax incentives for companies that maintain jobs during the emergency period and in the following period,
- Introduction of special rules on deduction of compromised debts for tax purposes,
- Revision of fiscal and financial-accounting legislation in order to simplify the flow of primary documents,
- Implementation of fiscal facilities for organizations that have felt a more limited impact (for ex., retail, IT, Telecom) and that will support significantly affected industries (eg HORECA),
- Ceiling local taxes and reviewing the legal framework for advertising devices,
- Other.

Status Quo: **In process.** The relevant Position Paper was presented to the authorities (Government of RM, Ministry of Finance)



INITIATIVE NO. 12: Amendment of the labor relations related legislation.

Description/Issue: To include Kurzarbeit system, increase the duration of technical unemployment, unilateral granting by the employer of unpaid leave to employees, reduce the labor remuneration in case of stationary.

Status Quo: **In process.** The request was submitted to the Government and relevant ministries and to the Parliament Committees. Also a dedicated meeting was requested to discuss proposals.

If you want to obtain **additional information about the initiatives, don't hesitate to contact EBA team or write us at info@eba.md*