

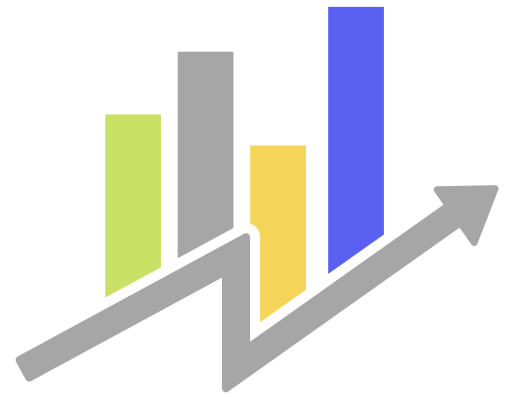


# **POLICY ADVOCACY DIGEST**

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January - July 2022

# DELIVERABLES STATISTICS



34

**Working Group on Regulatory  
Impact Assessment meetings**

9

**Prime Minister Economic Council  
meetings**

60

**EBA Members that benefitted from  
Individual Support**

43

**EBA Committees/ Technical meetings**

73

**Meetings with EBA Partners**

3

**EBA International Conferences**

22

**EBA Webinars/Workshops**

30

**Meetings with Officials with  
Moldovan and EU officials**

22

**Position Papers**

10

**Accomplishments out of 30**

# TAX COMMITTEE

## Issue 1:

### E-commerce legal amendments (Digitalization Package #2)

**Description:** Facilitating customs procedures for online exports, enhance postal and courier/delivery services, ensure necessary fiscal traceability documents.

#### **Status Quo: In process**

EBA jointly with PWC developed a package of legal proposals that were submitted to Customs Service, Tax Office, Ministry of Finance, and finally presented to the Prime Minister Economic Council (Consecon) for consideration and consultancy process.

e-Commerce legislative package was reviewed and prepared for the Government approval.

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## Issue 2:

### Extending tax neutrality

**Description:** The proposal is to extend tax neutrality principle from the perspective of income tax and VAT in relation to actions taken by the local companies in regard with Ukrainian refugees support.

#### **Status Quo: In process**

Position Paper submitted to Prime-minister, Government, MoF&MoE.

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## Issue 3:

### Tax policy 2023

**Description:** Promoting measures to support business in post-pandemic conditions, adjustment of 2022 Tax Policy and developing priority proposals for Tax Policy 2023.

#### **Status Quo: In process**

EBA proposals submitted to Ministry of Financy, discussed within the meeting with Minister of Finance (15.04) and with Fiscal Advisory Council (17.06).

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## Issue 4:

### Depository System

**Description:** Development of storage systems related to returnable packaging in the context of the introduction of the REP principle.

Deficiencies related to the draft order regarding the approval of the List of packaging for which the "deposit" system.

# TAX COMMITTEE

## **Status Quo: Accomplished**

Order no. 08 of Environment Agency approved on 23rd of March related to list of packages approval for which the "storage" system will be applied.

## **Issue 5:**

### **The increase of the deductible limit for transportation and meal for employee of the employees**

**Description:** Amendment of GD 693/2018 ref increase of deductible limit for transportation expenses and meal tickets.

## **Status Quo: Accomplished**

EBA proposed the increase of the deductible limit of the expenses related to the transportation of the employees (from 35 lei/per employee to 100 lei/per employee). The limit for transportation expenses was increased from 35 lei per employee up to 65 lei. Amendments related to meal tickets will be introduced within 2023 Tax Policy

# AGRICULTURE & ENVIRONMENT COMMITTEE

## **Issue 6:**

### **GD 938 Regulation regarding the mode of crossing state border of goods subject to ANSA control**

**Description:** Amendment of Regulation on the mode of state border crossing of non animal goods subject to control by ANSA.

## **Status Quo: Close to finalize**

Close to finalize. Amendments to the last draft submitted to Ministry of Agriculture and Food Industry. Regulatory Analysis Impact of the draft GD was performed. The draft was adopted conditionally so as to include observations, comments related to ANSA controls, and statistical data to provide transparency to the carried controls. The draft of GD is in the MinEconomy for the last review.

## Issue 7:

### Extended Producer Responsibility (EPR)

**Description:** Due to the EBA previous support (2021) implying development of Analytical Paper and necessary legal amendments (with the support of GIZ and EU funds) - in 2022 EBA became a part of a working group created by the Ministry of Environment aimed at defining necessary amendments related to EPR to enable a proper wastes management system.

#### **Status Quo: In process**

- EBA participated at 5 working group meetings of the Ministry of Environment
- EBA participated in 4 technical meetings with Minister of Environment, Minister of Finance, Romanian EPR Organization (FEPR)
- EBA identified EPR as one of the key policy priorities of EBA included also in the Tax Policy as one of the key priorities
- EBA included EPR as one of the priorities within the Prime Minister Economic Council Gr2

EBA contracted GIZ funds and necessary expertise and jointly with SAIPH CONSULTING HOUSE ( Eba member) developed the legal package of legal and normative amendments on EPR in line with EU Aquis which were submitted to the Minister of Environment. These documents are waiting to be circulated within the Ministry of Environment working group and relevant partners for consultations.

## Issue 8:

### Illegal logging, non-compliant pallets production and unfair competition

**Description:** Ensure compliance and proper implementation of GD no. 740/2003, GD no. 27/2004 on utilisation of forest wood, so as to avoid illegal loggings.

#### **Status Quo: In process**

Position Paper submitted to Ministry of Environment, Ministry of Agriculture and Food Industry and Moldsilva. Meeting with Moldsilva concluded the need to amend the national legal framework regarding the use of raw material for compliant of pallets production and phytosanitary requirements in import and export of goods.

# BANKING COMMITTEE

## Issue 9:

### Ensure digitization of the bailiffs and banking sector cooperation

**Description:** Representatives of the banking sector, facing significant difficulties for a long time in communication with bailiffs.

#### **Status Quo: In process**

Draft Position paper developed and addressed to the Ministry of Justice to ensure digitization of the the communication process related to legal and physical entities. A set of legal amendments of the Execution Code were proposed to ensure that the the bailiffs use Electronic Registry in the process of exchanging information with the banking community.

Updated Draft Position Paper banking sector in relation to bailiffs EBA ABM addressed to the Ministry of Justice (14.03) and request of EBA working group is set up to adress the issue.

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## Issue 10:

### Liberalization of payments

#### **Description:**

Modification of some normative acts regarding the credit transfer was developed.

#### **Status Quo: In process**

Position Paper EBA ABM AmCham addressed to SPCSB (15.03).

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## Issue 11:

### PSD2 Directive on open banking to be transposed

**Description:** PSD 2: Draft Law amending some normative acts: (Law no. 548/1995 on the National Bank of Moldova - art. 5, 10, 491; Fiscal Code no. 1163/1997 - art. 5, 254 transposing Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market.

# BANKING COMMITTEE

## **Status Quo: In process**

The technical meeting of the NBM team with business associations and the banking sector took place on the subject of the PSD2 Directive implementation in the Republic of Moldova. The draft law is in the Parliament for approval.

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## **Issue 12:**

### **SIA CCDE implementation**

**Description:** The Tax Service Instruction on how to send and receive electronic documents through the automated information system for the creation and circulation of electronic documents (SIA CCDE). The draft establishes the circulation of electronic documents between the State Tax Service, the National Bank of Moldova, commercial banks, payment service providers, bailiffs and public authorities issuing enforcement orders, as well as the rules for using the CCDE SIA.

## **Status Quo: In process**

In process. EBA proposals submitted to ABM. ABM has to submit to STS.

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## **Issue 13:**

### **Draft Law with the capping of Merchant fee (acquiring service fee) for Small and Medium enterprises at the level of 0.5%**

## **Status Quo: Accomplished**

Following multiple discussions and arguments presented by the banking sector to the NBM and Parliament Commission on Economy, budget and finance, the initiative was stopped.

# AUTOMOTIVE COMMITTEE

## Issue 14:

### Certification issues related to cars import

**Description:** Risk of stopping the import of new cars and vehicles into the Republic of Moldova was ruled out, by amending the provisions prohibiting the import and supply of radio equipment, including those incorporated in cars, which simultaneously passed certification in the EU and Moldova.

#### **Status Quo: Accomplished**

GD No. 208 of 30-03-2022 approved the modification of point 3 sub-item 3) of the Government Decision no. 34/2019 on the approval of the Technical Regulation “Making radio equipment available on the market”.

# REGULATORY FRAMEWORK COMMITTEE

## Issue 15:

### Nomenclature of Goods

**Description:** Updating the Combined Nomenclature of Goods according to Law 172/2014.

#### **Status Quo: In process**

EBA proposals submitted to MoE on updating the Combined Nomenclature of Goods.

## Issue 16:

### GDPR related laws improvement

**Description:** The objective is to present additional comments and proposals to the respective laws before its approval in the second reading of the Parliament, thus avoiding any risks and financial burdens for business environment by approving the draft laws in current version. Regulation (EU) 2016/679 as of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of personal data.

#### **Status Quo: In process**

EBA proposal submitted to ministry of Justice based on EBA request, a dedicated Working Group - is created on the platform of ministry of Justice.



# REGULATORY FRAMEWORK COMMITTEE

## **Issue 17:** **Digitization**

**Description:** Electronic identification and reliable services. Approved GD no. 203 for the approval of the draft law on electronic identification and trust services, promoted by SIS, submitted to Parliament.

### **Status Quo: In process**

Debated within Regulatory committee meeting on 13.04. EBA requested meeting with SIS refused. The parliament approved the draft law on electronic identification and trust services.

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## **Issue 18:**

### **Unfair business practices under the draft Law 231 on Internal Trade**

**Description:** Proposed legal provisions creating limitations in domestic trade were heavily debated over 2018 - 2022 such as:

- Obligation to ensure over 50 % share of domestic products on the market shelf;
- List of products subject to 50% share of domestic products;
- Limitation of marketing and advertising discount days/policy

In the attempt to transpose the Directive 2019/633 - the above mentioned limitations have been excluded, however the current approved legal amendments in (July 2022) provide for unclear way to perform the payment after the goods were supplied to the retailer (art 21.15).

### **Status Quo: Accomplished**

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## **Issue 19:**

### **Phytosanitary requirements for wooden packaging**

**Description:** Compliance with the commitments of the Moldova-EU / DCFTA Association Agreement regarding the gap in the regulation of phytosanitary requirements for wooden packaging.

## **Status Quo: In process**

In process. EBA position paper submitted (13.06) to Parliamentary commission on agriculture and food industry, Ministry of Agriculture regarding the compliance with the commitments of the Moldova-EU / DCFTA Association Agreement regarding the gap in the regulation of phytosanitary requirements for wooden packaging. MoE confirms the need to transpose the EU standards to national legal framework which is out of the date. ANSA together with MAFI have to initiate the amending legislative process. Ministry of Agriculture and Food Industry confirmed the need and readiness to amend the legal framework.

## **Issue 20:**

### **Meetings on the List of socially important products as well as the method of calculating the commercial threshold with Ministry of Economy**

**Description:** Revision/Abolish the list of social important products and update the mechanism on commercial margin calculation by including costs related to energy and supply/transportation for importers (not only for domestic producers).

## **Status Quo: In process**

In process. Amendments related to the list of socially important products as well as the method of calculating the commercial margin presented in seven meetings with Minister of Economy. Position papers (25.05 and 07.06) on the Draft amendment of the Government decision for the amendment of the Annex to the Government Decision no. 774/2016 on the marketing prices of socially important products and CSE Disposition no.02/2022 submitted. Few of proposals were taken into consideration (frozen premium class fish).

In debate is adjustment of commercial fee from 20% to 30%, taken into account constant increase of fuels and energy resources prices.

# EMERGENCY BUSINESS AID

## **Issue 21:**

**A new tool to support businesses on a regular basis through policy initiatives aimed at ensuring sustainable business operation in the context of the war in Ukraine**

**Description:** Public Procurements/extended social products list.

### **Status Quo: In process**

Position paper submitted to relevant Parliamentary Committees and Government for approval/changing Decisions of Exceptional Situations Commission: CSE disposition no.11 as of 17.03 to be modified related to Public Procurements/extended social products list.

Submitted and debated EBA opinion on the Draft amendment of the Government decision for the amendment of the Annex to the Government Decision no. 774/2016 on the marketing prices of socially important products with Ministry of Economy and business representatives and adjust the acquisition provisions for socially important goods (especially) in relation to public entities.

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## **Issue 22:**

**Import of pork and poultry to the Republic of Moldova, from EU and other countries**

**Description:** the volume of the annual duty-free 0203 tariff rate quotas for the import of pork and poultry from EU.

### **Status Quo: In process**

Position paper submitted to relevant Parliamentary Committees and Government to increase the volume of the annual duty-free 0203 tariff rate quotas for the import of pork and poultry from EU.

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## **Issue 23:**

**Tobacco/law 258 . Production transfer**

**Description:** Production transfer from Ukraine to Romania in the context of war in Ukraine.

### **Status Quo: Accomplished**

Position paper submitted to relevant Parliamentary Committees and Government. Tobacco/law 258 production transfer approved by Decision CSE no.13 as of n 31.03.

# EMERGENCY BUSINESS AID

## Issue 24:

### **Simplified procedures related to import of goods from EU**

**Description:** Concerns of EBA members on import/export issues.

#### **Status Quo: Accomplished**

The list of concerns of EBA members and proposed solutions were submitted to ME and MIDR (5 meetings). Simplified custom procedures on import included in CSE Decision no.12 as of 25.03.

## Issue 25:

### **VAT deduction on donations for refugees**

**Description:** VAT deduction on donations for refugees.

#### **Status Quo: Accomplished**

Position paper submitted to relevant Parliamentary Committees and Government. Exception to VAT deduction on procurements for donations in the refugee's context included in the CSE decision no.4 as of 01.04.

# HUMAN RESOURCES COMMITTEE

## Issue 26:

### **Support measures for employers and employees in the context of Covid 19 MMPS**

**Description:** To present the current legal framework related to labour relations in the context of the Covid-19 pandemic.

#### **Status Quo: Accomplished**

EBA Moldova's objections regarding the Compensation Mechanisms for employees and employers in the context of the pandemic situation submitted to MMPS.

## Issue 27:

### **Legal amendments to the Labour Code**

**Description:** EBA issued 3 position papers in which a list of legal proposals were promoted to amend the Labour Code.

# HUMAN RESOURCES COMMITTEE

The legal proposals were discussed with Ministry of Social protection and Parliament Commission on Social protection in a series of meetings.

These proposals are mainly related to: simplification of the procedure for changing of work schedule; of the employment contract; transfer to another unit with the consent of the employee; the procedure of return to work; regulating the way of scheduling annual leave and familiarizing employees with their schedule; informing employees about engaging in overtime work and increasing, from 120 to 240, the number of overtime hours per year, with the employee's consent; in relation to civil servants, the project revises their evaluation procedure; regulation of the non-competition clause.

## **Status Quo: Accomplished**

A list of new provision promoted by EBA were approved in the last Parliament Meeting and submitted for President promulgation.

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## **Issue 28:**

### **Deficiencies faced by the business community discussed with Ministry of Social protection**

#### **Description:**

1. Definitive removal from the employer's shoulders of military records of employees.
2. Approval by the Government of the Regulation attesting the employees / Elimination of the reference to a standard Regulation drafted by the Government. Due to the reference to such a non-existent Regulation, professional misconduct has in fact become null and void as a reason for dismissal.
3. The need to reform social security contributions for freelancers / freelancers.
4. The need to regulate work through temporary work agencies (regulated in Romania by the Labor Code chapter VII). The existence of companies whose object of activity is the "lending" of staff to any company becomes essential in an economy where human resources (either skill).

## HUMAN RESOURCES COMMITTEE

5. Review of the mechanism for establishing "force majeure". We mention that the Chamber of Industry and Commerce has not issued and does not issue such certificates for labor relations.

### **Status Quo: Close to finalize**

EBA proposals addressed within the HR Committee.  
Position Paper developed and submitted to MMPS.

## INFRASTRUCTURE AND ENERGY COMMITTEE

### **Issue 29:**

#### **Amendment to Contravention Code**

**Description:** Modification of the provision of art. 163 of the Code of Contravention (Premier Energy) in relation to non-compliance with the requirements for the protection of electricity networks.

### **Status Quo: Close to finalize**

Close to finalize. EBA position paper on amendments proposals submitted and debated with line parliamentary commissions. Modification proposals submitted and debated with line parliamentary commissions. The EBA proposal on amendments to the provision of art. 163 of the Contravention Code were accepted, which is intended to cover the values protected by the Regulation on the protection of electricity networks and to prevent further violations.

As a result, non-compliance with the requirements for the protection of electricity networks will be sanctioned, which can result in serious consequences for the life/ health of the population, but also for the affected goods.

### **Issue 30:**

#### **Renewables energy development**

**Description:** Since 2018 the launch of tenders for renewable energy production capacities is blocked / postponed. Urgent actions to be undertaken:

- Publishing the capacity limits and quota for the period 2021 – 2025;

- Ensuring the bankability of the “fixed price” support scheme by modifying the primary normative framework (Law 10/2016 and Law 107/2016);
- Launching and organizing tenders for renewable energy production capacities; 2 “Impact of a gas price shock on companies in Moldova” GET, October 2021 Page 12 of 12
- Regulation of the electricity producer by eliminating the capacity limit established in Law 107/2016, the possibility of signing long-term electricity acquisition contracts, as well as other changes that are required with the liberalization of the market;
- Improving the “net metering” mechanism and promoting production for own consumption (eg non-reimbursable funds, interest-free loans, etc.);
- Elaboration of policies and assumption of targets for the periods 2030 and 2050 including intermediate targets (National Energy and Climate Plan, Energy Strategy of the Republic of Moldova, etc.);
- Adoption of mechanisms to promote / facilitate the production and trading of electricity from renewable sources on the open market.

## **Status Quo: Close to finalize**

EBA position was discussed at the Energy Committee, Dirk Bushcle – representative energy Community (Vienna). EBA action plan in renewable sector Intentions for cooperation with MIDR on renewable was submitted. Initiation of WG meetings requested.

Renewables, Resilience and Flexibility Options in the Republic of Moldova were debated within UNECE Renewable Energy Hard Talk event. EBA reiterated the urgent update of the legal framework on renewables and to deblock the bids.



# EBA EVENTS

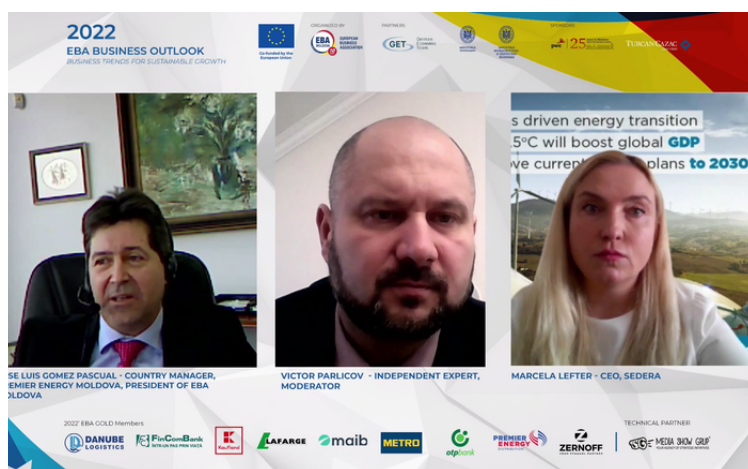
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# EBA GENERAL ASSEMBLY

