

EBA
ADVOCACY
DIGEST
For 2020

42

Legal
Initiatives

20

Accomplished/
Approved

22

In process

January - December
2020

Review on the EBA Policy
and Advocacy Agenda

EBA DRIVER FOR CHANGE

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INITIATIVE NO. 1. Improvement of GD no 938/2018

Description/ Issue: The main issues related to the implementation of the GD 938/2018 is lack of a risk assessment mechanism within the border control.

Status Quo: **In process.** The amendment of the GD was developed as well as the regulatory impact assessment both approved by the State Commission for Regulation of the Entrepreneurial Activity.

INITIATIVE NO. 2. Strategy of developing the industry for 2019-2030

Description/ Issue: Improvement and development of the industries in Moldova.

Status Quo: **In process.** The approval of the industry Strategy was stopped by the Ministry of Economy and Infrastructure. Currently, the MEI is developing the crosscutting Strategy for Economic Development for 2030, which will contain a national program for industry development.

INITIATIVE NO.3. Unfair competition in the field of wood packaging industry

Description/ Issue: To raise awareness of the relevant authorities regarding the situation on the wood packaging market, mainly on the illegal activity of some companies that operates without necessary authorization, thus damaging the state budget and affecting the activity of the reliable companies.

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Status Quo: **Finalized.** At EBA request, additional controls on companies operating illegally were carryout by the Tax State Service as to ensure fair competition in the field of wood packaging

INITIATIVE NO.4: Deficiency in the export of honey with fillers to the EU market

Description/ Issue: Lack of relevant information on food safety requirements for the production and marketing of honey with fillers so as to remove any non-tariff barriers for the export of this product on the EU market.

Status Quo: **Finalized.** Following EBA implication a bilateral discussions/cooperation between National Agency for Food Safety and the company was established.

INITIATIVE NO. 5: Strategy for the development of the justice sector for 2019-2022

Description/ Issue: Improvement of the judges and prosecutor's independence, fighting corruption in justice sector and efficiency and transparency of justice.

Status Quo: **Finalized.** The GD on the approval of the draft law for the approval of the Strategy on ensuring the independence and integrity of the justice sector for the years 2021-2024 and of the Action Plan for its implementation was approved on October 28th, 2020.

INITIATIVE NO. 6: Amendment of the Law 107/2016 on electricity

Description/ Issue: Proposals to improve the Law 107/2016 as to ensure its clear and coherent implementation.

Status Quo: **In process**

According to the calendar of the Ministry of Economy and Infrastructure the amendments to the Energy Efficiency Law are to be approved in March 2021.

INITIATIVE NO.7: Export of animal origin products to the EU market.

Description/ Issue: To present to the relevant authorities the interest of the meat processing companies in obtaining the export right of the products of animal origin on the EU market, as well as the request to advance the first



discussions/procedures/ questionnaires, etc. for a faster advancement of the Republic of Moldova in this way.

Status Quo: **Close to finalize.** Within the 7th Meeting of the RM-UE Association Committee in Trade Configuration that took place on 20-21 October 2020, DG TRADE informed that the official audit will be performed in 2021, based on which the Republic of Moldova will obtain the right to export onto European Market poultry meat and category B eggs.

INITIATIVE NO. 8: GDPR related laws improvement

Description/ Issue: 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.

Status Quo: **In process.** Currently, there is an initiative of the Prime Minister Economic Council and Ministry of Justice to withdraw the above mentioned draft laws in order to improve them.

INITIATIVE NO. 9: Amendment of food safety law

Description/ Issue: To adjust legal framework in the food safety area according to EU Directive and Regulation.

Status Quo: **Finalized.** The amendments to the law were approved by Law 24/2020

INITIATIVE NO.10/1: Internal Trade Law

Description/ Issue: The proposed main limitations infringe principal of freedom of trade, Moldovan commitments under AA/DCFTA and establish unfair business practices.

Status Quo: **Finalized** On December 4 the draft law was approved in the second reading of the Parliament. Limitations related to the marketing and advertising discount and period for marketing activities were excluded from the draft law. The limitation related to obligation to offer at least 50% of market shelf for local

products remained.

INITIATIVE NO.10/2: Internal Trade Law

Description/ Issue: Improvement of the law by introducing new provisions related to marketing of products / services at a reduced price, Nomenclature of the commercial units, regulations related to domestic producers, etc.

Status Quo: **Finalized.** The draft law was approved in the second reading of the Parliament on November 26.

INITIATIVE NO.10/3: Internal Trade Law

Description/ Issue: Unclear provisions regarding the interdiction of sale and use of plastic bags from January 1, 2021

Status Quo: **In process.** A dedicated meeting on the Parliamentary Committee on environment and regional development platform was organized on November 25.

INITIATIVE NO.11: Amendments to the Labor Code

Description/ Issue: Main amendments are related to the facilitation and improvement of the labor relations in the context of the Covid-19 Crisis

Status Quo: **Finalized.** The Labor Code was amended through Law 69/2020 and Law 115/2020

INITIATIVE NO.12: Amendment of the Land Code

Description/ Issue: The proposal was to legally allow to change the destination of agricultural lands of superior quality aiming to allow companies to continue their activity in the extraction of useful mineral deposits of national importance.

Status Quo: **In process.** The regulatory impact assessment for the amendment of the Land Code was developed and presented to MADRM.

INITIATIVE NO. 13: Amendment of the Sanitary Regulations of tobacco products

Description/ Issue: The proposed to be operated in secondary legislation go beyond the provisions of the framework law on tobacco control (Law 278/2007) and establish illegal and unconstitutional provisions and obligations, creating in the same sense a clear mismatch between primary and secondary legislation.

Status Quo: **Finalized.** The draft GD was approved by GD 283/2020.

INITIATIVE NO. 14. AML legislation

Description/ Issue: Major risks of interpretation of the AML provisions related to sanctions application.

Status Quo: **Finalized.** Law 75/2020

regarding procedures on finding infringements in the field of prevention of money laundering and terrorist

INITIATIVE NO. 15. EPR implementation

Description/ Issue: Provision of the Pollution Tax Refund Mechanism as it is provided in the art. XI of the AA/DCFTA

Status Quo: **Finalized.** The Refund mechanism was provided in the Law 206/2016 as a part of Tax and Customs Policy for 2021. The document was approved in second reading of the Parliament on December 4th.



INITIATIVE NO. 16. Amendment of the tobacco control Law

Description/ Issue: In the context of Covid-19 pandemic, it was requested to postpone of the deadline related to the visible display of the tobacco products.

Status Quo: **Finalized.** The art. 25 was amended by Law 134/2020.

INITIATIVE NO. 17. Import of meat from EU

Description/ Issue: Need to increase the volume of the annual duty-free tariff rate quotas for the import of pork and poultry from European Union.

Status Quo: **Finalized.** At the beginning of 2020 within the Association Committee in Trade configuration, the European Union and the Republic of Moldova have agreed on a reciprocal basis to increase the volume of tariff quotas for some products.

INITIATIVE NO. 18/1. Digitization of National Economy

Description/ Issue: In the context of Covid-19 Pandemic crisis and declaration of the emergency situation, there was an urgent need to digitize business processes which will facilitate the entrepreneurial activity of the businesses.

Status Quo: **Finalized.** In summer 2020, the Ministry of Economy and Infrastructure approved the roadmap on digitization of the national economy and ecommerce development.

INITIATIVE NO. 18/2. Digitization of National Economy

Description/ Issue: First set of legal amendments related to the recognition of the electronic signature, GDPR related amendments, etc.

Status Quo: **Close to finalize.** The draft set of first amendments was consulted with the private sector and is to be presented for the Government approval by the end of December.

INITIATIVE NO. 18/3. Digitization of National Economy

Description/ Issue: Second set of amendments related to the banking sector, especially in identification of legal solutions in identifying and verifying the identity of customers, including remotely, by electronic means.

Status Quo: **In process.** The Prime Minister Economic Council experts are in the process of collecting proposals for legal amendments.

INITIATIVE NO. 19. Amendment of the GD 689/2018 (electricity regulation)

Description/ Issue: Need to increase the capacity limits of the of ground installations in the field of electricity from renewable sources until 2020.

Status Quo: **Close to finalize.** The Ministry of Economy and Infrastructure accepted to increase the capacity limits. The draft GD is to be approved by the end of December.

INITIATIVE NO. 20. Strategic infrastructure assets

Description/ Issue: The draft contains vague, unclear, confusing and contradictory norms and definitions, which may lead to the discretionary and abusive application of control and unacceptable intervention in the entrepreneurial activity in the areas of essential infrastructure.

Status Quo: **In process.** The draft legal initiative is discussed in the Parliament.

INITIATIVE NO. 21. Monitoring system for maritime vessels

Description/ Issue: Improvement of the GD provisions according to the geographical situation of the country

Status Quo: **Close to finalize.** The Ministry of Economy and Infrastructure accepted private sector proposals. The GD is to be approved by the end of December.

INITIATIVE NO. 22. Prohibition of the use of prepaid cards for mobile communications

Description/ Issue: Need to cooperate with the mobile operators as to insure the applicability of the law and to reduce the financial burden on the related businesses.

Status Quo: **In process.** The draft law is under discussions with the Security and Intelligence Service.

INITIATIVE NO. 23. Food Waste reduction

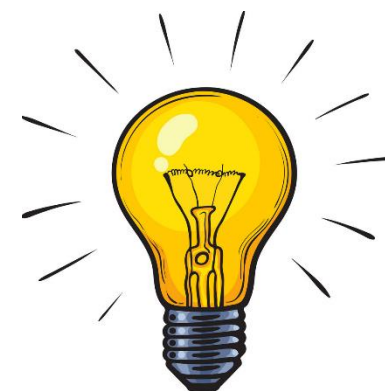
Description/ Issue: to provide clear provisions related to control of the law implementation, clear delimitation of roles and responsibilities and provision of tax incentives.

Status Quo: **In process.** The draft law is under improving according to all stakeholders' proposals.

INITIATIVE NO. 24. Regulation of advertising industry

Description/ Issue: Need to improve the new draft Regulation on the placement of outdoor advertising in Chisinau, which in current version is impacting negatively the advertising companies.

Status Quo: **Close to finalize.**



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INITIATIVE NO. 25. Tax policy 2021

Description/ Issue: The measures related to the tax policy 2021.

Status Quo: **In process.** Some of the EBA proposals have been accepted by the MoF and are found in the project issued by the MoF (the ceiling for local taxes, the reduction of the income tax for the legal professions, the reduction of the VAT rate for fertilizers in agriculture). The project was approved on the 1st Parliamentary session.

INITIATIVE NO. 26. Employees transportation related expenses (GD 693/2018)

Description/ Issue: Need to increase the deductible limit of employees' transportation related expenses. **Status Quo:** **In process.**

INITIATIVE NO. 27. Fuel consumption norms

Description/ Issue: Need to increase the fuel consumption norms, because the existing norms don't cover the real fuel consumption.

Status Quo: **Finalized.** The Ministry of Economy and Infrastructure approved the Order 81/2020, through which the norms of fuel consumption were increased.

INITIATIVE NO. 28. E-factura in public procurement

Description/ Issue: The need to postpone the obligation to issue the e-factura in public procurement till the end of 2020.

Status Quo: **Finalized.** The obligation comes into force beginning with 1st of January, 2021.

INITIATIVE NO. 29. E-factura

Description/ Issue: The implementation of new platform of Automated Information System since summer caused some technical deficiencies for accountants who issue the electronic invoices.

Status Quo: **In process.** EBA has an active dialogue with Tax authorities regarding the elimination of all the obstacles related to issuing the electronic invoices.

INITIATIVE NO. 30. Fixed Assets Catalogue

Description/ Issue: The need to renew the existing Catalogue in order to align with the updated Regulation regarding the Regulation on the recording and calculation of depreciation of fixed assets for tax purposes.

Status Quo: **In process.** The project developed by the MoF was sent to the EBA members for revision and collection of the proposals.

INITIATIVE NO. 31. Local taxes

Description/ Issue: One of the priority proposal for the 2021 Tax Policy was to set ceilings for local taxes (namely the taxes on advertisement and tax on commercial units), following certain discretionary decisions of a series of LPAs, especially in the COVID pandemic. Thus, EBA proposed to limit/set ceilings local taxes based on clear and transparent indicators as well as an overall country analysis without affecting the independence of the Local Public Authorities bodies.

Status Quo: **In process.** The proposal was included in the project of tax policy 2021 developed by the MoF and approved in the 1st Parliamentary session.

INITIATIVE NO. 32. Optimization of statistical reports

Description/ Issue: The main goal is to reduce the administrative burden on the business.

Status Quo: **In process.** The proposals were sent to the National Bureau of Statistics.

INITIATIVE NO. 33. Taxation of COVID tests

Description/ Issue: The proposal was not to consider the COVID tests as facilitates granted to the employees.

Status Quo: **Close to finalize.** The proposal was approved on the 1st Parliamentary session.

INITIATIVE NO. 34. Subvention of companies that established technical/ stationary unemployment

Description/ Issue: The measure to support the business in the pandemic conditions.

Status Quo: **Finalized.** This measure was approved and the subvention was granted.

INITIATIVE NO. 35. Subvention of bank interests that were contracted in the period May-Dec 2020

Description/ Issue: The measure to support the business in the pandemic conditions.

Status Quo: **Finalized.** This measure was approved and the subvention was granted.

INITIATIVE NO. 36. Postponement of deadlines for the payment of some local taxes, together with the corresponding postponement of the deadlines for tax reports

Description/ Issue: The measure to support the business in the pandemic conditions.

Status Quo: **Finalized.** This measure was approved.

INITIATIVE NO. 37. Postponement of deadlines for submission of financial statements and statistical reports

Description/ Issue: The measure to support the business in the pandemic conditions.

Status Quo: **Finalized.** This measure was approved.

INITIATIVE NO. 38. Elimination of the obligation to perform the mandatory external audit for 2019 for medium and large enterprises

Description/ Issue: The measure to support the business in the pandemic conditions.

Status Quo: **Finalized.** This measure was approved.

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