



Questionnaire

Part II

**Information provided by the Government of the Republic of Moldova
to the Questionnaire of the European Commission**

CHAPTER 16: TAXATION

May 2022

The **indirect taxation** *acquis* consists primarily of harmonised legislation in the field of Value Added Tax (VAT) and excise duties. *Value Added Tax* was first introduced in the Community in 1967, eventually leading to the Sixth VAT Directive from 1977, which was later recast in Directive 2006/112/EC and is still in place today. It provides for the application of a non-cumulative general tax on consumption. This is levied on all stages of production and distribution of goods and services. The VAT *acquis* provides for an equal tax treatment of domestic and non-domestic (import) transactions. VAT is also based on the neutrality principle whereby the tax applied is proportional to the price, whatever the number of intermediate transactions.

In the field of *excise duties* the *acquis* contains harmonised legislation as regards energy products, (including electricity), tobacco products and alcoholic beverages. EU legislation establishes the structure of the duty that should be charged, together with a system of minimum rates for each product group. Goods are subject to duty when they are produced within the EU or imported from a third country. However, in principle, the duty is payable only to the Member State in which the goods are released for consumption (with certain limited exceptions), and at the applicable rates in that Member State. The EU legislation lays down provisions on production, holding, movement and monitoring of excisable goods. As a result of the introduction of the single market, all systematic fiscal controls at the EU's internal borders were abolished on 1st January 1993. Nevertheless, to ensure that excise goods pay duty where they are released for consumption, their holding and movement for commercial purposes within the Internal Market continues to be closely monitored.

The *acquis* in the area of **direct taxation** concerns certain aspects of corporate taxation and capital duty. The focus is on eliminating distortions for cross-border economic activities between enterprises within the Union. The *Code of Conduct* for business taxation represents a political commitment by Member States to tackle harmful tax measures. Member States are required not to introduce new harmful tax measures, and to rollback existing ones.

The EU legislation in the field of **administrative cooperation and mutual assistance** between Member States' tax and customs authorities provides tools to share information in order to ensure that both indirect and direct taxes can be effectively levied. Tax relevant information is exchanged among tax administrations, both automatically and on request. It also allows Member States to provide recovery assistance to each other.

To ensure the effectiveness of the automatic exchange of information, the *acquis* in the area of **operational capacity and computerisation** covers different areas of taxation. In the field of VAT, the *acquis* on the Value Added Tax Information Exchange System (VIES) allows national administrations to monitor and control intra-EU trade and detect possible irregularities. In addition, a specific IT system (VAT Refund) has become operational on 1 January 2010 to ensure the electronic treatment of applications for the refund of VAT paid in other Member States than the Member State of Establishment of the Economic Operators. The IT-system VAT One-Stop Shop (OSS) allows the exchange of information among Member States related to three special schemes: the non-Union scheme, the Union scheme and the import scheme. Regarding excise duties, the EU *acquis* requires IT systems (the Excise Movement and Control System, EMCS), to allow Member States to exchange information on authorisations given to producers and traders of excisable products (SEED) and to track in real time the status of movements of goods under excise duty suspension (EMCS).

EMCS also provides for the exchange of information for administrative cooperation purposes. In the area of direct taxation other IT systems allow the automatic exchange of standardised information on certain types of income.

I. INDIRECT TAXATION

A. General

1. Please indicate which institutions are competent on the issue.

- Tax and custom policy – Ministry of Finance;
- Tax administration – State Tax Service;
- Customs administration – Customs Service.

2. Please specify the elements of the VAT and excise legislation which might result in:

a) A higher level of taxation on imported products than that imposed on similar domestic products (Article 110 TFUE);

The international commitments assumed by the Republic of Moldova within the World Trade Organization, as well as on the basis of ratified free trade agreements, expressly specify the non-admission of discrimination and support policies for domestic producers to the detriment of imported products. In this context, according to Art.152 of the Association Agreement¹, national treatment is granted to the goods of the other Party in accordance with Art. III of the General Agreement on Tariffs and Trade (hereinafter - GATT 1994)², including its interpretative notes. Thus, Art III of the GATT 1994 regulates the principle of national treatment in matters of taxation and internal regulations, which establishes that each member of the World Trade Organization grants to another member's products a tax treatment no less favorable than the treatment accorded to national products.

b) The repayment of tax on exported products which exceeds the internal tax imposed on them (Article 111 TFUE);

If the surplus of the VAT amount for purchased tangible assets and services is due to the fact that the subject of taxation has made a delivery that is exempt from VAT with the deduction right, including the export of goods and services. The given subject of taxation is entitled to a refund of the VAT amount surplus for the tangible assets, services purchased and/or to extinguish amounts within tax refund, within the VAT standard rate limit or VAT reduced rate, multiplied by the delivery value, which is exempt from VAT with the deduction right (Art.101 Tax Code No.1163/1997)³.

With regard to excise duties, the rules on the repayment of excise duty are set out in point 9 of this Chapter.

¹ https://gov.md/sites/default/files/document/attachments/7048451_en_acord_asociere.pdf

² https://www.wto.org/english/docs_e/legal_e/gatt47.pdf

³ https://www.legis.md/cautare/getResults?doc_id=79111&lang=ro

c) Differing treatment, reduced rates or exemptions from VAT or excise duty of certain goods.

VAT treatment (Art.96 Tax Code No.1163/1997)

The standard VAT rate in Moldova is currently 20%. It is generally applied to local supplies of goods and services, as well as to import of goods and services through a reverse-charge mechanism.

Nevertheless, certain types of products and services are subject to reduced VAT rates. For instance, local supplies of bread and bakery products; milk and dairy products; transport and distribution of natural gases services; biofuels used for electricity, heating, and hot water production; and specific phytotechnical, horticultural, and zootechnical products, are subject to a reduced 8% VAT rate.

A VAT reduced rate of 12% is applied for accommodation services, food, and beverages supplied by entities that provide public accommodation and catering services.

Excise duty treatment (Art.119 Tax Code No.1163/1997)

Excise duties apply to the production and import of cars, tobacco, alcohol, petrol and lubricants, and other goods. Special excise rates for each type of excisable goods are established in the Tax Code. The rates are widely variable and are based on multiple factors. The excise duty rates are in absolute amount per unit of measurement of the goods or, ad valorem in percentage of the goods value, excluding the excise duty and VAT, or the customs value of the imported goods, taking into account the taxes and duties to be paid upon import, but excluding the excise duties and VAT.

The situations to which exemptions from VAT and excise duty apply are also specified in section B 3 (e) and (f).

B. Value Added Tax

3. Please give a description of the VAT regime in force, particularly in the following areas:

a) Definition of taxable persons,

- i. The response should include the VAT treatment of government bodies and public institutions; non-resident taxable persons, liberal professions, non-profit organizations, closely connected businesses, etc.;*

Subjects of taxation (Art.94 Tax Code No.1163/1997):

- natural persons and legal entities carrying out entrepreneurial activity, non-residents carrying out entrepreneurial activity in the Republic of

Moldova through the permanent establishment, who are registered or have to be registered as VAT payers;

- natural persons and legal entities, non-residents carrying out entrepreneurial activity in the Republic of Moldova through a registered office in the country, importing goods, except for the natural persons importing goods for personal use or consumption, the value of which does not exceed the limit established by the legislation in force;
- natural persons and legal entities, except for the social-political organizations, non-residents carrying out entrepreneurial activity in the Republic of Moldova through a registered office in the country, who import services, regardless of whether they are registered as VAT payers or not;
- non-residents who carry out entrepreneurial activity without holding the organizational-legal form in the Republic of Moldova, who provide services through the electronic networks and obtain income from the natural persons who reside in the Republic of Moldova and do not carry out entrepreneurial activity, as well as non-residents who carry out entrepreneurial activity without holding the organizational-legal form in the Republic of Moldova, through which takes place the payment towards natural persons, residents of the Republic of Moldova, who do not carry out entrepreneurial activity of the services they benefit through the electronic networks from other non-residents, whose place of delivery is considered to be the Republic of Moldova;
- legal entities and natural persons who practice entrepreneurial activity, including persons who carry out professional activity according to the legislation, and purchase on the territory of the Republic of Moldova the property of enterprises registered as VAT payers, declared insolvent, except for those in the process of restructuring and implementing the plan, in accordance with the provisions of Insolvency Law No.149/2012⁴;
- legal entities and natural persons who practice entrepreneurial activity, including persons who carry out professional activity according to the legislation, and procure on the territory of the Republic of Moldova pledged property, mortgaged property, seized property from enterprises registered as VAT payers.

Thus, concluding the above, entities carrying out entrepreneurial activity qualify as taxable persons with VAT for supplies of goods and services on the territory of Moldova. Governmental institutions, public institutions, non-profit entities, in case of not carrying out entrepreneurial activity, qualify as VAT taxable persons, except for cases when non-profit organizations deliver goods, services in an amount exceeding the VAT payer registration threshold, with the purpose of obtaining income.

⁴ https://www.legis.md/cautare/getResults?doc_id=123197&lang=ro

ii. How many VAT taxable persons are there in Moldova?

The number of VAT payers registered as of 31.12.2021 is 30 775.

b) Scope of taxable transactions (supplies of goods and services, VAT on immovable property, rules on self-supply, private use);

Objects of taxation (Art.95 para. (1) Tax Code No.1163/1997):

- a) delivery of the goods and services by subjects of taxation, representing the result of their entrepreneurial activity in the Republic of Moldova;
- b) import of goods into the Republic of Moldova, except the goods for personal use or consumption imported by natural persons, the value of which does not exceed the limit established by the legislation in force, imported by natural persons;
- c) import of services in the Republic of Moldova;
- d) delivery of services through the electronic networks performed by non-residents who carry out entrepreneurial activity without holding the organizational-legal form in the Republic of Moldova to the natural persons which are residents of the Republic of Moldova who do not carry out entrepreneurial activity;
- e) procurement of the property belonging to taxable subjects declared in the insolvency process, except for those in the restructuring and realization of the procedure, in accordance with the provisions of the Insolvency Law no. 149/2012⁵.

Services provided through the electronic networks by the taxable persons specified at Art.94 letter d) from Tax Code, are considered the services provided through the telecommunication information networks, including through the internet network, in automated mode, with the information technologies use. Such services are assigned to:

- a) providing the right to use computer programs (including computer games), databases via the Internet, including by providing remote access to them, as well as the right to upgrade and extend their functional possibilities;
- b) providing advertising services on the Internet, including the use of the computer programs and databases operating on the Internet, as well as the provision of advertising space on the Internet;
- c) providing services for placing the offers regarding the procurement (marketing) of the goods (services), of the patrimonial rights on the Internet;

⁵ https://www.legis.md/cautare/getResults?doc_id=123197&lang=ro

- d) providing services, via Internet, technical, organizational, informational and other possibilities, performed with technologies and information systems, for establishing contacts and closing transactions between sellers and buyers (including granting of trade spaces operating on the Internet in online regime, in which the potential buyers offer their price through the automated procedure and the parties are notified of the sale by an automated message);
- e) ensuring and/or supporting the commercial or personal existence in the internet network, supporting the information resources of the users (of the sites and/or the pages from the internet network), ensuring the access to them of other users of the network, offering users the possibilities to modify them;
- f) information storage and processing, provided that the person providing this information has access to it via the Internet;
- g) granting online the computational power for placing information in the information systems;
- h) granting domain names, providing hosting services;
- i) providing administration services for information systems, of websites on the Internet;
- j) providing automated services via the Internet network when entering data by the buyer of the services, providing search services, selecting and sorting data on demand, providing these data to users through information and telecommunications networks (especially real-time presentation of stock market reports, real-time machine translation);
- k) granting through the Internet network the rights of use the electronic books (editions) and other electronic publications, informational materials for training, graphic presentations, musical pieces with or without text, audio-visual pieces, including by granting remote access to them for viewing or listening;
- l) providing search services for the beneficiary and/or providing the beneficiary with information on potential buyers;
- m) granting access to the search systems in the internet network;
- n) keeping statistics on the sites from the internet network;
- o) digital transmission of the radio or television programs;
- p) granting access to the audio-visual content.

For the purposes of this paragraph, the following operations shall not be assigned to the services provided via electronic networks:

- realization of the goods (services, works) if, when ordering through the internet network, their delivery is made without the internet network use;
- creation (transmission of the use right) of the information products for computers (including computer games), of databases on material support;
- providing consulting services by email.

The following are not objects of taxation (Art.95 para. (2) Tax Code No.1163/1997):

a) delivery of goods and services made within the free economic zone, the Giurgiulesti International Free Port, the Marculesti International Free Airport or under the customs warehousing regime;

b) income in the form of interest received by the lessor under a leasing contract;

c) delivery of goods and services made free of charge for the purpose of advertising and/or promoting sales in the annual amount of 0.5% of the sales revenue obtained during the year preceding the one in which the delivery is made, and for companies newly created during the year, in a monthly amount of 0.5% of the sales revenue obtained in the previous month, with the end-of-year adjustment of the respective amount;

d) transfer of property during the reorganization of the economic agent;

e) nominal value of meal tickets perceived by operators and by commercial units/public catering establishments, except the value of the services provided by the operators of the commercial units/public catering establishments and the employers under the conditions of the Law No.166/2017⁶ on meal tickets;

f) release and storage of material goods in the process of simultaneous refreshment, refreshment with a time gap and borrowing thereof in accordance with the provisions of Law No.104/2020⁷ on state and mobilization reserves;

g) delivery to the legal entities and natural persons carrying out entrepreneurial activity, including persons carrying out professional activity according to the legislation, the property of enterprises declared insolvent, except for those in the process of restructuring and implementation of the plan, in accordance with the provisions of the Insolvency Law No.149/2012;

h) delivery to legal entities and natural persons carrying out entrepreneurial activity, including persons carrying out professional activity according to the legislation, of pledged property, mortgaged property, seized property.

Also, in the context of the provisions of Art.99 of the Tax Code, the following qualify as a VAT taxable objects:

⁶ https://www.legis.md/cautare/getResults?doc_id=117157&lang=ro

⁷ https://www.legis.md/cautare/getResults?doc_id=122175&lang=ro

- the transmission of goods without payment to the employees of the taxable person, services rendered without payment to the employees of the taxable person, with the exception of those referred to in Article 24 para. (19), previously purchased, produced by the taxable person for the performance of his entrepreneurial activity, which are subsequently considered taxable deliveries;
- the appropriation by the taxable person or the transfer by him to the members of his family of goods, services delivered to the taxable person for the performance of his entrepreneurial activity, goods of his own production;
- goods or services supplied to the taxable person for the purpose of his entrepreneurial activity and subsequently passed on to other persons without payment shall be deemed to be taxable deliveries made by that person. The taxable value of the delivery referred to is the amount paid by the taxable person for the delivery intended for the performance of his entrepreneurial activity;
- the transfer of goods or services delivered to the taxable person for the purpose of his entrepreneurial activity, goods of his own production, as remuneration for the employee's work.

c) Territorial scope of the tax;

Value Added Tax is a state tax representing a form of collecting to the budget a part of the delivered goods and services value provided that are subject to taxation on the territory of Republic of Moldova, as well as of a part of the value of the taxable goods and taxable services imported into the Republic of Moldova (Art.93 letter (1) Tax Code No.1163/1997).

d) Importation (taxation, suspension regimes, exemptions, etc.). How are goods that have been placed under a suspension regime treated in respect of VAT?

VAT exemption without the right of deduction for goods placed under a suspension regime is applied for (Art.103 Tax Code No.1163/1997):

- goods brought on the customs territory and placed under transit customs regimes, processing under customs control, customs warehouse and under customs destinations of destruction and abandonment for the benefit of the state;
- goods placed under the temporary admission customs procedure and compensating products after outward processing, in accordance with customs regulations;
- goods placed under the customs regime of inward processing, except excisable goods, fresh or chilled beef meat (tariff position 0201), frozen beef meat (tariff position 0202), fresh, chilled or frozen pork meat (tariff position 0203), fresh, chilled or frozen mutton or goat meat (tariff position 0204), fresh, chilled or frozen beef, pork, sheep, goat, horse, donkey, mule

edible offal (tariff position 0206), meat and edible offal of birds under tariff position 0105, fresh, chilled or frozen (tariff position 0207), lard with no lean meat, pork and poultry lard, not melted or otherwise extracted, fresh, chilled, frozen, salted or in brine, dried or smoked (tariff position 0209), milk and milk sour cream, concentrated or with added sugar or other sweeteners (edulcolorants) (tariff position 0402), potato starch (tariff position 1108 13 000), cow, sheep or goat fats other than those under tariff position 150300 (tariff position 1502) and raw sugar (tariff position 1701) shall be exempt from VAT without deduction rights.

VAT exemption with the right of deduction for goods placed under a suspension regime is applied for services provided by light industry enterprises on the territory of the Republic of Moldova to economic agents placing goods under the customs regime of inward processing, within the processing contracts under the customs procedure of inward processing. (Art.104 Tax Code No.1163/1997)

e) Exportation and other exempt supplies granting a right to deduct input VAT (zero rates)

The following are exempt from VAT with deduction right: (Art.104 Tax Code No.1163/1997):

a) Goods and services for export and all the types of international transport of goods (including dispatch) and passengers, international gas transportation services, as well as aerodrome (airport) operator services, selling travel tickets in the international traffic, aircrafts ground maintenance, including delivery of the fuel and cargo on the aircraft board, aeronautical security, search-rescue and air navigation related to aircrafts in the international traffic, fuel intended for the refueling at the Giurgiulesti International Free Port of ships engaged in the international transport of goods and passengers, irrespective of the ship's nationality or flag;

b) electricity, heating and hot water for residential real estate, irrespective of the subject under whose management they are;

c) import and/or delivery within the territory of the country of goods, services destined for:

- technical assistance projects conducted on the territory of the Republic of Moldova by the international organizations and donor states within the limits of the treaties to which it is a party;
- investment assistance projects, funded from grants provided to the Government, as well as from grants provided to budget-funded institutions.

The list of international treaties in which the Republic of Moldova is a party, the technical assistance projects list, the list of grants provided to the Government or budget financed institutions, as well as the way of applying the VAT exemption

with the right of deduction on the delivery on the territory of the country of goods, services for the respective projects are approved by the Government:

a) goods and services delivered within the free economic zone outside the customs territory of the Republic of Moldova, delivered from the free economic zone outside the customs territory of the Republic of Moldova, delivered in the free economic zone from the rest of the customs territory of the Republic of Moldova, as well as those delivered by the residents of different free economic zones of the Republic of Moldova to each other, with the exception of transport services delivered in the free economic zone from the rest of the customs territory of the Republic of Moldova, as well as those delivered by residents of different free economic zones of the Republic of Moldova to each other;

b) goods delivered by the resident of a free economic zone of the Republic of Moldova to a non-resident of the Republic of Moldova, if the goods are handed over for processing to a resident of another free economic zone of the Republic of Moldova, indicated by the non-resident purchaser/beneficiary;

c) services provided by light industry enterprises on the territory of the Republic of Moldova to businesses placing goods under the customs regime of inward processing, within the processing contracts under the customs procedure of inward processing. The type of services covered by this point, as well as the administration manner of these services are established by the Government, and the economic agents list is approved by the Ministry of Economy;

d) goods delivered in duty-free shops;

e) goods and services delivered to the Giurgiulesti International Free Port and Marculesti International Free Airport from outside the customs territory of the Republic of Moldova, those delivered from the Giurgiulesti International Free Port and Marculesti International Free Airport outside the customs territory of the Republic of Moldova, those delivered to the Giurgiulesti International Free Port and the Marculesti International Free Airport from the rest of the customs territory of the Republic of Moldova, as well as those delivered by the residents of different free economic zones of the Republic of Moldova, to the Giurgiulesti International Free Port, the Marculesti International Free Airport to each other, except for transport services delivered to the Giurgiulesti International Free Port and Marculesti International Free Airport from the rest of the customs territory of the Republic of Moldova, as well as those delivered by the residents of different free economic zones of the Republic of Moldova, the Giurgiulesti International Free Port, Marculesti International Free Airport to each other.

f) VAT exemptions with no right to deduction;

The following shall be exempt from VAT without deduction right (Art.103 Tax Code No.1163/1997):

- the dwelling, the land, the rental of the dwelling and the land, the right of delivery and rent thereof, except for the commission fees related to such transactions;
- goods under tariff positions 040229110, 190110000, as well as food products for children under tariff positions 160210001, 200510001, 200710101, 200710911, 200710991;
- state property, repurchased in the privatization process;
- pre-school institutions, sanatoriums, and other facilities for socio-cultural and housing purposes, as well as roads, electrical lines and substations, gas supply networks, water supply and sewerage systems, centralized heat supply systems, groundwater extraction installations and other similar objects, transferred gratuitously to the public authorities (or, according to their decision, to the specialized enterprises that use and exploit the respective objects according to the destination), as well as those transmitted to the enterprises, organizations and institutions by the public authorities; the state property transferred free of charge, at the decision of the public authorities, from the balance sheet of a state enterprise to the balance sheet of another state enterprise or from the balance sheet of a municipal enterprise to the balance sheet of another municipal enterprise; the works of technical expertise, prospecting, design, construction and restoration, with the attraction of the funds donated by natural and legal persons, to the objects included in the list approved by the Parliament;
- goods, services of public and private education institutions, related directly to the educational process according to the Education Code⁸; services for training children and teenagers in coteries, workshops, studios; services for children and teenagers using sports facilities; childcare services in preschool institutions; staff training and development services;
- services (actions) performed by the authorized bodies for which a state duty is charged; all types of activities related to duties and fees collected by the state for granting of licenses, registration and issuance of patents, as well as fees and duties collected by the central and local public authorities; services in the field of intellectual property protection, provided by the State Agency for Intellectual Property; professional activity in the justice sector; services of registration in the real estate register and issuing extracts from this register; the state registration services of the legal entities and individual entrepreneurs and providing information from the given state registers;
- seized property, property in abeyance, property which was legally transferred into state ownership with succession rights, treasures;
- care services for sick and elderly people, as well as goods, from the charitable organizations, intended for preparing of packages for needy elderly persons and distributed to them gratuitously;

⁸ https://www.legis.md/cautare/getResults?doc_id=110112&lang=ro

- medical services, except cosmetic services, air medical ambulance services; medical supplies, materials, articles, primary and secondary packaging used in the preparation and production of drugs authorized by the Ministry of Health, except for the ethyl alcohol, cosmetics, according to the list approved by the Government; wheelchairs (tariff position 8713), orthopedic and prosthetic articles and apparatus (tariff position 9021); treatment tickets (including those without accommodation) and holidays in spas, tourist service packages; the technical means used exclusively for purposes related to the prophylaxis of disability and the rehabilitation of disabled persons;
- products of own production of the student canteens, school canteens and canteens of other education institutions, hospitals and pre-school institutions, canteens belonging to other institutions and organizations from the social-cultural sphere financed partly or entirely from the budget, as well as canteens specialized in feeding the needy elderly people on the charitable organizations expenses;
- financial services, such as:
 - granting or transferring credits, credit guarantees, other warranties for cash transactions and crediting, including management of loans, credits or credit guarantees by creditors (credit, transfer, fiduciary, lending, cash settlement operations, searching for amounts not entered in the account, opening, closing and re-opening accounts);
 - transactions related to deposit accounts, including savings accounts, settlement and budget accounts, credit transfers (payments and/or receipts), including through payment service providers, debt securities, checks and other financial instruments, except for income from the sale of goods in the event of credit default, from the rendering of information, consultancy and expertise services, from the purchase and rent of broker's places at the stock exchange, from rental, from cash collection and delivery services to clients, from services of receipt, storage and transfer of values, cash, securities and documents, revenues from fiduciary operations of management the clients' goods, from the liquidation of the assets of the bankrupt companies, fees for providing clients with regulatory documentation;
 - import of banknotes under tariff position 490700300 and metal coins under tariff position 7118 (including jubilee and commemorative banknotes and coins) in national currency, banknotes under tariff position 490700300 and coins under tariff position 7118 in foreign currency (including for numismatic purposes) and other operations related to the circulation of national currency and foreign currency (including operations related to their use for numismatic purposes), as well as import of goods under tariff position 7108 by the National Bank of Moldova and other deliveries to/by the National Bank of Moldova with these goods;

- transactions related to the issuance of shares, bonds, bills of exchange and other securities, including trading and brokering operations on the capital market, transactions of the entity keeping the records of the securities holders;
 - transactions related to derivative financial instruments, forward, options agreements and other financial operations;
 - services related to investment funds management and qualified non-state pension funds;
 - insurance and/or reinsurance operations, including brokering services of those.
- postal services, including delivery of pensions, subsidies and indemnities;
 - gambling services rendered by entrepreneurs engaged in the gambling business (including the use of gaming machines), except for the services the value of which is partially or entirely included in the stake or entrance fee, and other services rendered to participants or audience; lotteries;
 - burial and incineration services of human and animal bodies, and related activities: preparation of bodies for burial or incineration, embalming and services provided by funeral furnishers; rental of funeral rooms; rental or sale of burial places; maintenance of graves; fitting out and maintenance of cemeteries; transportation of bodies; rituals and ceremonies provided by religious organizations; organization of funerals and incineration ceremonies, manufacturing and/or delivery of coffins, wreaths;
 - accommodation in dormitories; utilities for the general public: rental of dwelling, technical services for the residential buildings, water supply, sewage, heating, sanitation, elevators;
 - passenger transportation services throughout the country, as well as ticket selling services for the transport of passengers across the country;
 - electricity imported and delivered to the transport and system network operator, distribution network operators and electricity suppliers and electricity imported by the transport and system network operator, distribution network operators and electricity suppliers, except the electricity transportation and distribution services;
 - services related to the confirmation of the land owners' rights;
 - book production and periodical publications (except advertising and erotic ones) under tariff positions 4901, 4902, 490300000, 490400000 and 4905, as well as book and periodicals publishing services, copyright and other related services used in the production of books, except those mentioned above;
 - excise stamps imported for marking the excisable goods, as well as special papers imported for marking the excisable goods intended for export;
 - services delivered by agricultural service cooperatives, established in accordance with Art. 87 of Law on entrepreneurial cooperatives No.73-

XV/2001⁹, to the members of this cooperative, provided that at least 75% of the total value of the cooperative's deliveries represent the value of goods and services delivered to the cooperative members and the value of the delivered goods to the cooperative by its members;

- cars and other motor vehicles (tariff positions 870321, 870322, 870323, 870324 870331, 870332, 870333, 870340, 870350000, 870360, 870370000, 870380, 9705), electric motor scooters under tariff position 871190900;
- goods under tariff positions 7201, 7204, 854810;
- machinery, equipment, devices and gratification attributes received as donations by the National Olympic and Sports Committee and the specialized national sports federations from the International Olympic Committee, European and international sports federations for training of performance athletes and promotion of the Olympic movement with no right to sell this machinery, equipment and gratification attributes;
- services of organizations in the field of science and innovation accredited by the National Council for Accreditation and Certification. The exemption will be granted starting with the tax period in which the organization in the field of science and innovation has been accredited by the National Council for Accreditation and Certification. In the case of withdrawal of the accreditation certificate, the organization will be deprived of the right to exemption starting with the tax period in which the accreditation certificate is withdrawn;
- agricultural tractors under tariff positions 870191100, 870192100, 870193100, 870194100, 870195100 and agricultural machinery under tariff positions 842449100, 842482100, 8432, 843320, 843330000, 843340000, 843351000, 843352000, 843353, 843359, 8436, 8437 and parts thereof under tariff positions 8432, 8433 and 8437;
- anti-hail rocket launchers under tariff position 3604;
- hydraulic turbines with a maximum power of 1000 kW under tariff positions 841011000, electric generators with a power exceeding 75 kW, but of maximum 375 kW under tariff position 850133000, parts of generating sets under tariff positions 850300990, devices for switching circuits electricity under tariff position 853690850;
- fixed assets used directly in the manufacture of products, the provision of services and/or the works performed, meant to be included in the statutory (share) capital in the manner and within the terms provided by the legislation. The application manner of the given tax benefits is set by the Government. To fixed assets used directly in the manufacture of products, the provision of services and/or the works performed are attributed fixed assets, the depreciation of which relates to the cost of the manufactured products, the services provided and/or the works performed. Fixed assets that have been subject to the given tax benefit cannot be alienated,

⁹ https://www.legis.md/cautare/getResults?doc_id=78181&lang=ro

transferred into use or possession (except for the lease of real estate), both in their entirety, and as their component parts, within 3 years from the validation date of the respective customs declaration or the tax invoice issue, unless such fixed assets are exported if they previously have been imported and have not undergone changes other than normal depreciation. If these fixed assets are alienated, transferred into use or possession, both in their entirety and as their component parts, until the expiration of 3 years, VAT shall be calculated and paid by the legal entity in whose statutory (share) capital the fixed asset was introduced, starting from the amount indicated in the tax invoice issued at the time of receiving the given tax benefit in the case of the fixed assets delivery, or from the customs value at the time of submission of the customs declaration, in the case of import of those. The legal entity in whose statutory (share) capital the fixed asset has been introduced is not entitled to deduct the VAT amount paid for the alienated fixed asset, and is required to submit the VAT return;

- construction and installation works of the wind and photovoltaic parks;
- machinery and equipment under the following tariff positions: ex.3926 – plastic containers for separate collection of waste; ex.841780700 – furnaces and ovens for the waste incineration; ex.8477 – machinery and devices for processing rubber or plastic materials; ex.8479 – machinery for shredding, pressing, baling household waste; ex.8704 – motor vehicles for the of household waste collection and transportation. Economic agents authorized to carry out the activity of collecting, processing, recycling household waste can use this tax benefit and use the nominated machinery and equipment directly in their field of activity;
- aircrafts under tariff positions 8802 40 000, helicopters under tariff positions 8802 11 00, 8802 12 00, locomotives under tariff positions 8601, 8602, railway wagons engaged in the public transport of passengers from tariff position 8603; parts thereof under tariff positions 880310000 to 880330000 and 8607;
- operating or financial leasing services of the aircrafts under tariff position 880240000, helicopters under tariff positions 88021100, 88021200, locomotives from the tariff positions 8601, 8602, railway wagons engaged in the public transport of passengers from tariff position 8603;
- goods brought on the customs territory and placed under transit customs regimes, processing under customs control, customs warehouse and under customs destinations of destruction and abandonment for the benefit of the state;
- domestic goods previously exported and reintroduced, within 3 years, in the same condition. If the VAT amount for that merchandise was refunded at the time of export, the VAT exemption is not granted. The non-refund of VAT is confirmed by a certificate issued by the State Tax Service;

- goods placed under the temporary admission customs procedure and compensating products after outward processing, in accordance with customs regulations;
- goods placed under the customs regime of inward processing, except excisable goods, fresh or chilled beef meat (tariff position 0201), frozen beef meat (tariff position 0202), fresh, chilled or frozen pork meat (tariff position 0203), fresh, chilled or frozen mutton or goat meat (tariff position 0204), fresh, chilled or frozen beef, pork, sheep, goat, horse, donkey, mule edible offal (tariff position 0206), meat and edible offal of birds under tariff position 0105, fresh, chilled or frozen (tariff position 0207), lard with no lean meat, pork and poultry lard, not melted or otherwise extracted, fresh, chilled, frozen, salted or in brine, dried or smoked (tariff position 0209), milk and milk sour cream, concentrated or with added sugar or other sweeteners (edulcolorants) (tariff position 0402), potato starch (tariff position 1108 13 000), cow, sheep or goat fats other than those under tariff position 150300 (tariff position 1502) and raw sugar (tariff position 1701) shall be exempt from VAT without deduction rights. VAT paid for the goods placed under customs regime of inward processing, for which VAT applies, shall be refunded according to the instructions of the Customs Service, within a period not exceeding 30 days;
- there are exempt from VAT without the right to deduct the import of goods, services, intended to provide assistance in case of natural disaster, armed conflict and other exceptional situations, as well as the import and delivery of goods, services defined as humanitarian aid, in the manner established by the Government;
- there are exempt from VAT without the right to deduct the placement and sale of goods in the duty-free shops. The goods subject to excise duties placed in the destination of the duty-free store located in the entrance area on the territory of the Republic of Moldova, the duty-free store for the diplomatic corps servicing, after sale, at the customs clearance end, are placed under import customs duties;
- the products of the curative (labor) workshops under the psychiatric hospitals of the Ministry of Health, where people with disabilities work, shall be exempt from VAT without deduction right;
- the goods and services imported or purchased on the territory of the Republic of Moldova by non-commercial organizations, that meet the requirements of Article 52, for the purpose of building social assistance institutions, as well as goods and services imported or purchased on the territory of the Republic of Moldova by these non-commercial organizations for the needs of the mentioned institutions shall be exempt from VAT without deduction right;
- goods imported by legal entities for non-commercial purposes, if the intrinsic value of such goods does not exceed euro 100, shall be exempt from VAT without deduction right. If the customs value of the goods exceeds the indicated non-taxable limit, the VAT is calculated on the basis

of the customs value of the goods, and the mentioned non-taxable limit does not reduce their taxable value;

- waste and residues of ferrous and non-ferrous metals, industrial residues containing metals or their alloys imported and/or purchased on the territory of the Republic of Moldova by the licensed taxable subjects and used directly in their entrepreneurial activity in the Republic of Moldova, as well as paper and cardboard waste and residues, rubber, plastic and glass (cullet) purchased on the territory of the Republic of Moldova by the taxable subjects and used directly in their entrepreneurial activity in the Republic of Moldova shall be exempt from VAT without deduction right;
- consumable goods imported by the foreign military force carrying out temporary military applications, destined for the exclusive use or consumption of the military and of the civilian component shall be exempt from VAT without deduction right. The list of consumables is approved by the Ministry of Defense of the Republic of Moldova;
- means of transportation imported and delivered free of charge (donation), irrespective of the period of exploitation, intended for:
 - medical purposes, classified under tariff positions 8702 and 8703;
 - fire-fighting, classified under tariff position 8705 30000;
 - street cleaning, for spreading materials, for collecting waste, classified under tariff position 8705 shall be exempt from VAT without deduction right.

This tax benefit can be used by both beneficiaries, provided that the means of transport mentioned above are used exclusively for their final destination, as well as the third parties who have imported and delivered these means of transport to the beneficiaries. Beneficiaries and third parties cannot sell, transfer in rent, lease, usufruct, operational or financial leasing the means of transport referred at letters a)-d). The manner of introducing, placing under import customs regime of the mentioned means of transport and benefiting from the respective tax benefit is established by the Government.

- the import of goods samples with the intrinsic value not exceeding euro 22 for an import shall be exempt from VAT without deduction right. If the goods samples value exceeds the indicated non-taxable limit, VAT shall be calculated on the basis of the customs value of the goods samples and the non-taxable value mentioned above shall not reduce their taxable value. In order to benefit from exemption, the samples of goods shall be unusable by breaking, punching or clear and permanent marking or by other processes, provided that this does not destroy the nature of the sample. VAT exemption does not apply to alcoholic products listed at the tariff positions 220300, 2204, 2205, 220600, 2207, 2208, perfumes and eau de toilette under the tariff position 330300, tobacco and tobacco products under tariff positions 2401, 2402 and 2403;

- the cult objects import according to the approved list and the manner set out by the Government shall be exempt from VAT without deduction;
- there are exempted from VAT without the right of deduction the import of goods from the tariff positions 271012310, 271012700 and 271019210, intended for the supply of aircraft involved in the international carriage of goods and passengers;
- consumable goods imported by the international intervention teams/modules participating in the international management exercises of the exceptional situations consequences taking place on the territory of the Republic of Moldova, intended for exclusive use or consumption of the international teams/modules, are exempted from VAT without the right of deduction. The consumables list is approved by the Ministry of Internal Affairs and is presented to the Customs Service;
- on the basis of the reciprocity principle, is exempted from VAT without the right to deduct the introduction of goods intended for official use by diplomatic missions and consular offices accredited in the Republic of Moldova by the representations of international organizations accredited in the Republic of Moldova for personal use or consumption by members of the staff of such diplomatic missions and consular posts or of representations of international organizations, as well as members of their families living with them, except citizens of the Republic of Moldova, as well as foreign nationals or stateless persons permanently residing in the Republic of Moldova.

g) Rules on the place of delivery of goods and services;

Goods' delivery place: (Art.110 Tax Code No.1163/1997):

- if the goods are not shipped or transported, the goods delivery place is considered as their physical place at the delivery time;
- for goods shipped or transported by the purchaser or a third party, the delivery place is considered the place where the goods are located at the moment the transportation or shipment of the goods to the purchaser starts, except for export deliveries;
- for the goods shipped or transported by the supplier, the goods' delivery place is considered the place where the goods are located at the moment of handing over (transfer) or at the moment of their transfer into possession to the purchaser (the beneficiary);
- the place of supply the electricity, heating and gas is considered the place of their receipt.

Services delivery place: (Art.111 Tax Code No.1163/1997):

- the services delivery place is considered:

a) the real estate location – for services provided by experts and real estate agents, construction works related to real estate, accommodation services, regardless the

comfort category in the hotel, hotel-apartment, motel, tourist villa, bungalow, tourist boarding house, agro-tourist boarding house, camping, holiday village or holiday camp, services granting property rights over the real estate and services for preparing and coordinating construction works, including services provided by architects and by companies providing on-site supervision;

b) transportation route by which the transport is carried out, taking into account the distance traveled – when providing transport services;

c) services actual place of delivery:

- related to tangible movable assets;
- provided in the fields of culture, art, science, education, physical culture, entertainment or sports or in another similar field of activity;
- related to auxiliary transport activities, such as loading, unloading, handling and other similar activities, displacement, assembly;
- related to the tangible movable assets assessment and the work carried out on them.

d) service place of use and possession– when renting tangible movable assets;

e) the headquarters, or in the absence of it, the beneficiary domicile or place of residence for the following services:

- transmission services of the industrial property, as well as those relating to copyright and related rights;
- advertising services;
- services of consultants, engineers, consultancy offices, lawyers, accountants and marketing (market research), text translations and information provision services,
- including throughout the intermediary centers for fixed and mobile telephony services;
- information technology services, computer services provided by electronic
- communications equipment;
- services of recruitment and supply of personnel (staffing);
- services of agents acting on behalf and at the expense other persons – for services
- listed at this letter.

f) goods place of destination, shipped after processing – for processing of goods on the customs territory and outside the customs territory.

- the services delivery place is considered the headquarters or, in case of its absence, the beneficiary domicile or residence of the following services:

- electronic communications services;
- broadcasting and television services;
- services rendered by radio electronic means.
- services rendered by radio electronic means within the meaning include:
 - providing and hosting websites on the internet, remote maintenance of programs and equipment;
 - providing and updating software;
 - providing images, texts and information and making available databases;
 - providing music, films and games, including gambling and betting on shows, or political, cultural, artistic, sporting, scientific and entertainment events;
 - rendering of distance learning services.
- the services delivery place not listed above is considered the headquarters or, in the absence of it, the domicile or residence of the person providing these services;
- the delivery place of the services provided by non-residents who carry out entrepreneurial activity without holding the organizational legal form in the Republic of Moldova for natural persons, resident in the Republic of Moldova not carrying out entrepreneurial activity is considered the Republic of Moldova, if at least one of the following conditions is met:
 - the natural person residence is in the Republic of Moldova;
 - the financial institution headquarters in which the account used for the services payment is opened or the operator of electronic financial means headquarters, through which the payment takes place, is in the Republic of Moldova;
 - the network address (IP) of the device used by the buyer for the services procurement is in the Republic of Moldova.
 - the country telephone prefix used for the procurement or payment of services is assigned to the Republic of Moldova.

h) Chargeable event and chargeability of the tax; cases where the reverse charge applies;
Tax liability deadlines (art.108 Tax Code)

- The date of calculating the VAT tax liability is the delivery date. The delivery date is considered the date of goods delivery, the services provision, except the cases provided below.
- For goods, the delivery date shall be considered the date of handing over (transfer) the goods to the purchaser (beneficiary), or, in the case of transportation of goods, the delivery date shall be considered the date transportation starts, except the exported goods, for which the delivery date is considered to be the date of their export from the territory of Republic of Moldova.

- In case of the real estate delivery, the delivery date shall be considered the date of the real estate transfer into the purchaser's ownership on the date of its recording in the real estate register.
- For services, the delivery date shall be considered the service provision date, the tax invoice issue date or the date on which the payment is made to the taxable person, in part or in full, depending on what takes place earlier.
- If the tax invoice is issued or the payment is received prior to the delivery date, the delivery date is considered to be the tax invoice issue date or the payment receipt date, depending on what has occurred first.
- When making regular delivery of goods and services (electricity, heating, water, natural gas, rent, lease, usufruct, etc.) during a certain period of time specified in the contract, the delivery date shall be considered the date the goods are handed over, service is provided or each regular payment date, depending on what happens first.
- In case of goods and services delivery under the leasing contract (financial or operational), the delivery date shall be considered the payment date specified in the contract for making the payment. In case of the advance payment collection, the delivery date is considered to be the advance collection date.
- Services provided that entail successive payments, such as construction and installation work, consultancy, research, expertise and other similar services, are considered completed on the date on which the minutes of the delivery-receipt of the works and other similar documents are drawn up, on the basis of which the delivery of the services is established, or, depending on the contractual provisions, on the date of accepting the works by the beneficiary.
- The tax liability date of purchasing property of enterprises declared in the process of insolvency, with the exception of real estate, shall be considered the payment date, including the advance payment for the purchased property, or the date of the property receipt by the buyer, depending on what happens before.
- The tax liability date of purchasing pledged property, mortgaged property, seized property shall be considered the date of payment, including the advance payment for the purchased property, or the date of receipt of the property by the buyer.

Tax liability deadlines for imports (Art.109 Tax Code No.1163/1997)

- For imported goods, the tax liability deadline shall be considered the date of declaring the goods at customs points, the date of extending the payment deadline, and the payment date – the date the amount is actually paid by the importer (declarant) or by a third party to the customs authority cashier or to the treasury single account, confirmed by the bank and/or payment account statement.

- For imported services, the tax liability deadline and the VAT payment date is considered no later than the deadline for the obligation to submit the statement regarding VAT for the fiscal period in which the import of services or payment for those took place, depending on what happens first.
- Goods are considered imported if the importer complies with all the requirements stipulated by the customs legislation when importing goods on the Republic of Moldova territory and if the goods have been subject to import duties. If import duties on the imported goods are not to be paid, the goods are considered imported as if they were subject to import duties, in accordance with the appropriate procedures for the goods import provided by the customs legislation.
- If, upon the introduction on the territory of the Republic of Moldova, the goods are placed under the suspension customs regime with full exemption from import duties or under the transit customs regime, the tax liability deadline and the VAT payment date is considered to be the customs regime completion date and the release of goods for free circulation.

Reverse charge

Subjects of reverse charge are: (Art.94 letters c, e), f) Tax Code No.1163/1997)

- legal entities and natural persons who practice entrepreneurial activity, including persons who carry out professional activity according to the legislation, and procure on the territory of the Republic of Moldova the property of enterprises registered as VAT payers, declared insolvent, except for those in the process of restructuring and implementing the plan, in accordance with the provisions of Insolvency Law no.149/2012;
- legal entities and natural persons who practice entrepreneurial activity, including persons who carry out professional activity according to the legislation, and procure on the territory of the Republic of Moldova pledged property, mortgaged property, seized property from enterprises registered as VAT payers.
- legal entities and natural persons, with the exception of socio-political organizations, non-residents carrying out entrepreneurial activity in the Republic of Moldova through a permanent establishment as defined in Art.5 point 15), who import services, regardless of whether or not they are registered as VAT payers.

Objects of reverse charge are: (Art.95 para. (1) letters c, e, f) Tax Code No.1163/1997)

- procurement of the property belonging to taxable subjects declared in the insolvency process, except for those in the restructuring and realization of the plan procedure, in accordance with the provisions of the Insolvency Law no. 149/2012;

- procurement of pledged property, mortgaged property, seized property from taxable persons.

Taxable value of the reverse charge delivery: (Art.97 paras. (7), (8) Tax Code No.1163/1997)

- the taxable value at the purchase of property of enterprises declared in insolvency process according with the provisions of Insolvency Law No.149/2012 represents the value of the purchase of the property paid or to be paid (without VAT) by the buyer.
- the taxable value at the purchase of pledged property, mortgaged property, seized property represents the value of the purchase of the property paid or to be paid (without VAT) by the buyer.

The tax liability for the reverse charge delivery: (Art.108 para. (10) and Art. 109 para. (2) of Tax Code No.1163/1997)

The tax liability date of purchasing pledged property, mortgaged property, seized property shall be considered the date of payment, including the advance payment for the purchased property, or the date of receipt of the property by the buyer.

In the case of imported services, the tax liability deadline and the date of payment of VAT shall be deemed to be no later than the deadline for submitting the VAT return for the tax period in which the services were imported or paid for, whichever is earlier.

i) Rules on VAT rates. Please describe the exact scope of any reduced rates, included zero rates (other than those described in the letter e) above)

The scope of reduce rates are the following: (Art.96 Tax Code No.1163/1997)

- 8% - for bread and bakery products (190120000, 190540, 190590300, 190590600, 190590900), for milk and dairy products (0401, 0402, 0403, 0405, 040610300 and 040610500 - with a fat content not exceeding 40% by weight), delivered on the territory of the Republic of Moldova, except for food products for children which are exempt from VAT without the right of deduction;
- 8% - for medicaments falling within tariff positions 3001 to 3004, both as indicated in the State Nomenclature of Medicinal Products and authorized by the Ministry of Health, Labor and Social Protection, for non-denatured ethyl alcohol falling within tariff positions 220710000 and 220890910 intended for pharmaceutical production and use in medicine, within the volume limit of the annual quota established by the Government, imported and/or delivered on the territory of the Republic of Moldova, as well as medicaments prepared in pharmacies according to the master prescriptions, containing authorized ingredients (medicinal substances);
- 8% - for goods imported and/or delivered on the territory of the Republic of Moldova, under tariff positions 300215, 3005, 300610, 300620000, 300630000, 300640000, 300660000, 300670000, 370790, 380894,

382100000, 382200, 4014, 401511000, 481890100, 900110900, 900130000, 900140, 900150, 901831, 901832, 901839000;

- 8% - for natural and liquefied gases under tariff position 2711, both imported and delivered on the territory of the Republic of Moldova, as well as the natural gas transmission and distribution services;
- 8% - for the production of animal husbandry in natural form, live mass, crop and horticulture in natural form, produced, imported and/or delivered on the territory of the Republic of Moldova, under tariff positions: 010221, 010231000, 010290200, 010310000, 010410100, 010420100, ex.0105 – live breeding chickens, 060210, 060220, 0701, 07020000, 0703, 0704, 0705, 0706, 070700, 0708, 70920000, 070930000, 070940000, 070951000, 070959100, 070959300, 070960, 070970000, 070993100, 070999100, 070999400, 070999500, 070999600, ex. 070999900 – dill and parsley, 0713, 071420100, 080231000, 080610, 080711000, 080719000, 080810, 080830, 080840000, 0809, 08101000, 081020, 081030, 1001, 1002, 1003, 1004, 1005, 1007, 1201, 1205, 120600, 1209, ex. 121291800 – fresh or refrigerated sugar beet, 121300000, 1214;
- 8% - for sugar from beet sugar, produced, imported and/or delivered on the territory of the Republic of Moldova;
- 8% - for solid biofuels destined for production of electricity, thermal energy and hot water delivered on the territory of the Republic of Moldova, including the raw material delivered for the production of solid biofuel, in the form of agricultural and forestry products, agricultural and forestry residues, vegetal residues from the food industry, wood residues, as well as the thermal energy produced from the solid biofuels delivered to public institutions;
- 12% - for accommodation services, regardless of comfort category, in a hotel, hotel-apartment, motel, tourist villa, bungalow, tourist pension, agro-touristic pension, camping, holiday village or holiday camp, which is attributed to section I of the Activities Classifier in the economy of the Republic of Moldova;
- 12% - for food products and/or beverages, except for production of alcohol, prepared or unprepared, for human consumption, accompanied by related services that allow their immediate consumption, performed within the activities assigned to Section I of the Activities Classifier in the economy of the Republic of Moldova¹⁰.

j) Describe the scope and procedures in respect of the right of deduction and refund of VAT. In particular, where input VAT exceeds output VAT, can all taxable persons opt for a refund? How long on average does it take to refund VAT to taxable persons? Do more favorable arrangements apply to some taxable persons e.g. big exporters? Describe any restrictions on the right of deduction i.e. is VAT on certain types of expenditures not deductible?

¹⁰ https://www.legis.md/cautare/getResults?doc_id=129475&lang=ro

Rules for the right of deduction of VAT (Art.102 Tax Code No.1163/1997):

- In case of VAT payment to the budget, subjects of taxation registered as VAT payers are allowed to deduct the VAT amount paid or to be paid to suppliers which are VAT payers on purchased tangible assets, services (including those transmitted during the realization of a commission contract) used to carry out taxable deliveries in the course of entrepreneurial activity carrying out. It is allowed to deduct VAT on imported goods, purchased by the subjects of taxation for the purpose of carrying out taxable deliveries in the course of entrepreneurial activity carrying out only in case of VAT payment to the budget for goods, services. For the imported services, purchased by the taxable subjects for making taxable deliveries in the process of entrepreneurial activity carrying out, the VAT amount deduction is allowed for VAT amounts paid or to be paid to the budget.
- The VAT amount paid or to be paid on tangible assets, services purchased to be used for carrying out both taxable and exempt from VAT deliveries without the deduction right is deductible if related to the taxable deliveries.
- The VAT amount deduction is determined monthly by applying the pro-rata on the VAT amount paid or to be paid for tangible assets, services purchased and used for carrying out both taxable and exempt from VAT deliveries without the deduction right. The monthly pro-rata is approximated, according to mathematical rules, up to two signs after the comma and is determined by applying the following ratio:
 - the numerator indicates the value of taxable deliveries (excluding VAT), except for advance payments received, for the performance of which these tangible assets, services are used;
 - the denominator indicates the total value of the taxable deliveries (excluding VAT) and of the exempted from VAT deliveries, except for advance payments received, for the performance of which these tangible assets, services are used.

The final pro-rata is determined as described above and approximates, according to mathematical rules, up to two signs after the comma when filling in the VAT return for the last tax period of the year and is based on the annual deliveries indicators. The difference between the VAT amount deducted in the previous tax periods and the VAT amount determined as a result of applying the final pro-rata is reflected in the tax return for the last tax period of the year. It is allowed to deduct the VAT amount paid or to be paid on purchased tangible assets, services that are used to make deliveries exempt from VAT without the deduction right, if the ratio size between the VAT exempt deliveries without right of deduction and the taxable deliveries total (excluding VAT) and of the VAT exempt deliveries without the right of deduction is less than the coefficient of 0.05.

- Deduction of the VAT amount, paid or to be paid, on purchased tangible assets, services that are used for deliveries that are not subject to VAT is

carried out similarly to taxable deliveries. In this regard the deliveries that are not subject to VAT are the following:

- delivery of goods and provision of services made free of charge for the purpose of advertising and/or promoting sales in the annual amount of 0,5% of the sales revenue obtained during the year preceding the one in which the delivery is made, and for companies newly created during the year, in a monthly amount of 0,5% of the sales revenue obtained in the previous month, with the end-of-year adjustment of the respective amount;
 - transfer of property during the reorganization of the economic agent;
 - release and storage of material goods in the process of simultaneous refreshment, refreshment with a time gap and borrowing thereof in accordance with the provisions of Law No.104/2020 on state and mobilization reserves;
 - delivery to the legal entities and natural persons carrying out entrepreneurial activity, including persons carrying out professional activity according to the legislation, the property of enterprises declared insolvent, except for those in the process of restructuring and implementation of the plan, in accordance with the provisions of the Insolvency Law No.149/2012.
 - delivery to legal entities and natural persons carrying out entrepreneurial activity, including persons carrying out professional activity according to the legislation, of pledged property, mortgaged property, seized property.
- The VAT amounts included into costs or expenditures of goods, services purchased shall be deducted in the event of a change in the tax regime for the delivery of the goods, services in the course of carrying out the entrepreneurial activity from VAT exempt without the deduction right into taxable or in the event of the destination change of the goods use for the purpose of performing taxable deliveries instead of VAT-exempt deliveries without the deduction right.
 - The VAT amount, paid or to be paid, for the goods purchased, as well as for the goods, services purchased which were used in the manufacture of the goods which were destroyed in the process of entrepreneurial activity as a result of natural disasters where these situations are demonstrated and confirmed.
 - Subjects of taxation, whose entrepreneurial activity consists in organizing entertainment and leisure activities, and the purchased tangible assets, services are directly used for carrying out this activity, have the right to deduct the VAT amount on the purchased tangible assets and services.

Restriction on the right of deduction (Art.102 Tax Code No.1163/1997)

- The VAT amount paid or to be paid on tangible assets, services purchased which are used for carrying out the deliveries exempt from VAT without

the deduction right is not deductible and shall be included into the costs or expenditures.

- The VAT amount, paid or to be paid, on purchased tangible assets, services that are used for deliveries that are not subject to VAT shall not be deducted and shall be included into costs or expenditures. In this regard the deliveries that are not subject to VAT are the following:
 - delivery of goods, provision of services made within the free economic zone, the Giurgiulesti International Free Port, the Marculesti International Free Airport or under the customs warehousing regime;
 - income in the form of interest received by the lessor under a leasing contract;
- The VAT amounts deducted by the subject of taxation on purchased goods, services are repealed from deduction and are included into costs or expenditures in the event of a change in the tax regime for the delivery of goods, services in the course of carrying out the entrepreneurial activity from taxable to exempt from VAT without the deduction right or in the event of a change in the destination of use of the goods for the purposes of making VAT-exempt deliveries without the deduction right instead of taxable deliveries.
- The VAT amount paid or to be paid on purchased tangible assets, services that are not used for carrying out the entrepreneurial activity, on purchased goods which, in the course of the entrepreneurial activity, were stolen or were identified as waste and natural perishables over the monthly limits set by the manager as well as the value that was not subject to depreciation of the disposed fixed assets is not deducted and is included into costs or expenditures of the period.
- The VAT amount, paid or to be paid, for tobacco products classified at tariff positions 240210000, 240220, 240290000, 2403 and for ethyl alcohol products classified at tariff positions 2207, 2208, which constituted waste or natural perishables beyond the established limits by the Ministry of Agriculture and Food Industry, and for petroleum products that have constituted waste or natural perishability beyond the limits established by the Ministry of Economy are not deducted and are related to costs or expenses of the period.
- The VAT amount paid or to be paid on tangible assets, services purchased by the subject of taxation for the purpose of organizing entertainment activities that are not within the scope of its entrepreneurial activity, is not deducted and is related to expenditures.

VAT refund (Art.101 Tax Code No.1163/1997)

If the surplus of the VAT amount for purchased tangible assets, services is due to the fact that the subject of taxation has made a delivery that is exempt from VAT with the deduction right, inclusive the export of goods and services. The given subject of taxation is entitled to a refund of the VAT amount surplus for the tangible assets, services purchased and/or to extinguish amounts within tax refund,

within the VAT standard rate limit or VAT reduced rate, multiplied by the delivery value, which is exempt from VAT with the deduction right.

The VAT refund shall be made only to the subject of taxation who has a decision on the VAT refund against the extinguishment of the debts to the national public budget, and, in the absence of debts, at the request of the subject of taxation as part of its future liabilities towards the national public budget or to the bank account and/or the payment account of that respective subject of taxation. VAT refund is forbidden against debts extinguishment of the taxable subject's creditors who have a VAT refund decision, including legal entities and natural persons' assignees.

VAT is refunded as provided by the Government within *a term not exceeding 45 days*, and in the case of taxpayers who disagreed with the control act - within a term that will not exceed 60 days from the date of the refund request submission.

The VAT refund is made for the following categories of beneficiaries:

- enterprises that produce bread and bakery products, the milk production holdings and the enterprises that process milk and produce dairy products (Art.101 paragraph (3) Tax Code No.1163/1997);
- subject of taxation who has made a delivery that is exempt from VAT with the deduction right (Art.101 paragraph (5) Tax Code No.1163/1997);
- companies carrying out leasing activity performed under financial and/or operational leases contracts (Art.101 paragraph (6) Tax Code No.1163/1997);
- subjects of taxation who, starting January 1st 2012, make capital investments (expenditures) (Art.1011 Tax Code No.1163/1997);
- subject of taxation who are registered as VAT payers and who, starting with May 1st, 2015, make capital investment (expenditures) in production buildings (intended for the goods or services production) (Art.1011 paragraph (11) Tax Code No.1163/1997);
- subjects who are not registered as VAT payers and who, starting January 1st, 2013, make capital investments (expenditures) in vehicles, under tariff position 8702, for transportation of minimum 22 persons) (Art.1013 Tax Code No.1163/1997);
- purchase of goods and/or services for official use by diplomatic missions, consular posts and representations of international organizations accredited in the Republic of Moldova (Art.1015 Tax Code No.1163/1997).

The provisions of the articles of the Tax Code granting the right to a refund of the excess of VAT on purchases over VAT on deliveries stipulate that the refund of these amounts is made in the manner determined by the Government.

In this regard, the Regulation on value added tax refund, approved by Government Decision no.93 of 01.02.2013, establishes the method of determining the VAT

amounts for refund, as well as the documentary confirmation of the right to VAT refund for each situation provided by the Tax Code.

Subsequently, according to the mentioned Regulation, upon fulfilment of clearly defined criteria, VAT refund applicants, except for cases of VAT refund requested under Articles 101¹, 101³ and 101⁴ of the Tax Code and Article 4 para. (138) of Law No. 1417/1997 on the implementation of Title III of the Tax Code, may be entitled to VAT refunds without a control being carried out. These conditions are:

- the taxable person has been operating for at least 2 years;
- the taxable person has received VAT refunds at least twice;
- during the last thematic control on VAT refund the amount of tax for refund, confirmed by the State Tax Service, corresponds to the amount requested by the payer;
- during the last tax control, the amount of taxes, duties, compulsory state social insurance contributions and compulsory health insurance premiums calculated by the State Tax Service did not exceed 1% of the total value of deliveries made during the controlled tax periods.

VAT amounts refunded to taxable persons without control are subject to thematic control by the State Tax Service at least once a year.

k) Special schemes (e.g. small businesses, second-hand goods, works of art, collectors' items and antiques, flat-rate scheme for farmers, travel agents, investment gold, others);

Currently, the tax legislation of the Republic of Moldova does not provide for special VAT application schemes for some categories of subjects.

l) Rules governing registration of taxable persons, tax returns, record keeping, invoicing and payment;

Registration of taxable persons: (Art.112 and 112¹ Tax Code No.1163/1997)

- The subject carrying out entrepreneurial activity, except public authorities, public institutions, except the public education institutions, is obliged to register as a VAT payer if he/she, in any period of 12 consecutive months, has made deliveries of goods, services amounting to more than MDL 1.2 million, except for deliveries exempt from VAT without the deduction right and those which are not subject to taxation.
- The subject carrying out entrepreneurial activity has the right to register as a VAT payer if he/she intends to make taxable deliveries of goods or services.
- The subject carrying out entrepreneurial activity and making import of services, excluding those exempt from VAT, without deduction right, whose value being added to the deliveries value of goods, services carried out during any 12 consecutive months, except the VAT exempted deliveries without deduction right and those that are not taxable exceeds MDL 1.2 million, is obliged to register as a VAT payer.

- Non-resident carrying out entrepreneurial activity without holding the organizational-legal form in the Republic of Moldova and providing services through electronic networks to resident natural persons of the Republic of Moldova who do not carry out entrepreneurial activity or through which the payment is made by the natural persons residents of the Republic of Moldova who do not carry out entrepreneurial activity of the services they benefit from through the electronic networks from other non-residents are considered registered as a VAT payer from the day on which the fiscal code was assigned to him.

Payment and Tax return:

- Subjects of taxation are obliged to report, and pay to the budget for each tax period the amount of VAT, which is determined as a difference between the amount of VAT paid or to be paid by the purchasers (beneficiaries) for the goods, services delivered to them and the amount of VAT paid or to be paid to the suppliers at the moment of purchasing tangible assets, services (including VAT for the imported tangible assets) used for the purpose of carrying out entrepreneurial activity during the given tax period, taking into account the right to deduction (Art.101 para.(1) Tax Code No.1163/1997). Regarding the present norm, subject of taxation are:
 - natural persons and legal entities carrying out entrepreneurial activity, non-residents carrying out entrepreneurial activity in the Republic of Moldova through the permanent establishment, who are registered or have to be registered as VAT payers;
 - legal entities and natural persons who practice entrepreneurial activity, including persons who carry out professional activity according to the legislation, and procure on the territory of the Republic of Moldova the property of enterprises registered as VAT payers, declared insolvent, except for those in the process of restructuring and implementing the plan, in accordance with the provisions of Insolvency Law no.149/2012;
 - legal entities and natural persons who practice entrepreneurial activity, including persons who carry out professional activity according to the legislation, and procure on the territory of the Republic of Moldova pledged property, mortgaged property, seized property from enterprises registered as VAT payers.
- If the VAT amount paid or to be paid to the supplier for the purchase of tangible assets, services exceeds the VAT amount received or to be received from purchasers (beneficiaries) for the goods, services delivered, the difference shall be carried forward for the next tax period and shall become part of the VAT to be paid for tangible assets, services purchased during that period, except for cases of VAT refund. (Art.101 paragraph (2) Tax Code No.1163/1997).

- Each subject of taxation, shall be liable to submit the VAT return for each tax period. The return shall be drawn up on an official form which shall be submitted to the State Tax Service not later than the date of 25th of the month following the end of the tax period. (Art.115 paragraph (1) Tax Code No.1163/1997).
- Each non-resident who carry out entrepreneurial activity without holding the organizational-legal form in the Republic of Moldova is liable to present the VAT return for each tax period in which taxable deliveries took place. The return is drawn up according to the form approved by the State Tax Service and must be submitted, by automated electronic reporting methods, through the taxpayer's personal electronic office, by the date of 25th of the month following the end of the tax period. (Art.115 paragraph (12) Tax Code No.1163/1997).
- Each subject of taxation must pay to the budget the amount of VAT payable for each tax period, not later than the date set for the tax return's submission for that period, except for VAT paying to the budget:
 - for the services related to the import of goods, the payment of which is made upon the import of goods;
 - for imported services, the payment of which is made until the 25th of the month following that in which the service was imported or paid for, depending on what happens first;
 - for purchases of the property belonging to taxable subjects declared in the insolvency process, of pledged property, mortgaged property, seized property from taxable persons the VAT payment is made no later than the date of the goods delivery (transmission) to the buyer (beneficiary), the tax invoice issuance date or on the date on which the payment is made, in part or in full, depending on what happens first. (Art.115 paragraph (2) Tax Code No.1163/1997).

Tax invoice (Art.117 Tax Code No.1163/1997):

- The subject of taxation who makes a taxable delivery within the country territory is liable to provide to the purchaser (beneficiary) the tax invoice for that delivery. The tax invoice presentation is made at the moment of the tax liability occurrence.
- When making VAT taxable deliveries of main petroleum products (gasoline, diesel) within the country, the taxable person is obliged to present to the buyer (beneficiary) for that delivery the electronic tax invoice (e-invoice).
- For goods and services for export and all the types of international transport of goods (including dispatch) and passengers, international gas transportation services, as well as aerodrome (airport) operator services, selling travel tickets in the international traffic, aircrafts ground maintenance, including delivery of the fuel and cargo on the aircraft board,

aeronautical security, search-rescue and air navigation related to aircrafts in the international traffic, fuel intended for the refueling at the Giurgiulesti International Free Port of ships engaged in the international transport of goods and passengers, irrespective of the ship's nationality or flag, which are exempt from VAT with the right of deduction. The tax invoice issuance is not mandatory.

- The subject of taxation included in the list of mandatory use of the electronic invoice (e-invoice), approved by the State Tax Service, upon making a taxable delivery within the country territory, is required to provide to the purchaser (the beneficiary) an electronic tax invoice for that delivery, issued in the manner established by the State Tax Service.
- Starting with January 1st, 2021, when making the taxable delivery within the public procurements on the territory of the country, the taxable subject is required to present to the buyer (beneficiary), for the respective delivery, the electronic tax invoice (e-invoice). The provisions of this paragraph shall not apply to the supply of electricity, heat, natural gas, electronic communications services and utility services.
- For retail trade and provision of services in specially designated places and within the e-commerce framework by cash payment and/or via non-cash payment instruments, the issuance of the tax invoice is not mandatory (unless requested by the buyer, but not later than the last day of the month in which the delivery took place), if the following conditions are met:
 - the subject of taxation shall keep records of the amount received and paid in cash and/or via non-cash payment instruments at each point of sale and of service provision using cash register equipment, via services of the banks, of the State Enterprise 'Posta Moldovei' (Post of Moldova), via other payment service providers. Registration by cash register equipment is made upon the receipt of the cash and/or of the cash payment via the non-cash payment instrument, except for the amounts paid using the non-cash payment instrument in electronic commerce. At the end of each working day, the data of the daily closing report of the cash register equipment is recorded into the Cash Register Equipment Register;
 - at the end of each working day, the VAT total amount on the made deliveries is entered into the accounting records, and in the purchased materials accounting records are entered the data from the tax invoices which have been paid in cash and/or by means of non-cash payment instruments.
- In the case of digital products exported as electronically delivered services and paid by international payment system cards, the tax invoice issue is not mandatory.
- When delivering electricity, heating, water, gas and services to the population by cash payment including through the financial institutions services, of the State Enterprise 'Posta Moldovei' (Post of Moldova), of

other payment services' providers, no tax invoices are issued by the suppliers of goods, services.

Special cases for issuing tax invoices (Art.1171 Tax Code No.1163/1997)

- When delivering goods, if they are transported, the tax invoice issue date is the date on which their transport begins.
- The taxable person included in the list of mandatory use of the electronic tax invoice (e-invoice), approved by the State Tax Service, when making taxable deliveries within the country, is obliged to present to the buyer (beneficiary) for that supply the electronic tax invoice, issued in the manner established by the State Tax Service.
- In the course of regular delivery of goods, services (electricity, heating, water, gas, etc.) during a period, the suppliers issue a tax invoice for the period during which the delivery was made, presenting simultaneously the bill to the purchaser.
- When delivering heating and hot water to the operators of heating and hot water distribution networks, the producer, on the basis of the information provided by the operators of the heating and hot water distribution networks, shall issue the tax invoice by dividing the volumes depending on the applied VAT rate.
- When delivering electricity to distribution networks operators and electricity suppliers, the producer, on the basis of the information provided by electricity suppliers, shall issue the tax invoice by dividing the electricity volume depending on the applied VAT rate.
- When delivering agricultural products and goods, services to the agricultural land owners, on the account of the land rent payment, the tax invoice shall be issued by the tenant on the last day of the month in which the delivery took place, on the delivery total value, enclosing the beneficiaries' information, containing indicators specified in the tax invoice and the handwritten signature of the beneficiaries.
- When transferring the right of using informational product, the tax invoice shall be issued by the author or the copyright holder on the date set for the payment of the used informational product, regardless of whether the copyright transfer takes place under the exclusive or non-exclusive copyright transfer contract.
- The tax invoice issuance by the principal is made when the goods are delivered to the commissioner. When delivering the goods to the purchaser (beneficiary), the commissioner issues the tax invoice on his/her behalf. To the extent that he executes the principal's assignments, the commissioner issues the tax invoice.
- When executing the principal's assignment to purchase goods for subsequent handing over to him/her, the commissioner shall issue the tax invoice on his/her behalf when the goods are handed over to the principal.

To the extent that he/she executes the principal's assignment, the commissioner issues the tax invoice.

- Tax invoice issued by the founder of the administration is submitted to the trustee. When delivering goods and services to the final purchaser (beneficiary), the trustee issues the tax invoice in its own name. As the property management service is provided, the trustee issues the tax invoice to the founder of the administration.
- When receiving the payment before the delivery is made, the tax invoice shall be issued, depending on the circumstances, at the payment receipt or upon delivery in the following cases:
 - when public catering establishments sell their own products and goods to the purchaser (the beneficiary) who is the subject of the entrepreneurial activity and pays in advance for the service at the public catering enterprise for a certain period, the tax invoice being issued at the moment of making the prior payment;
 - when subscribing to the periodical publications subject to VAT, the tax invoice shall be issued at the advance payment time of receipt;
 - upon delivery of mobile phone services with prepayment, the tax invoice shall be issued at the time of payment stipulated in the contract for the services provided.
- The re-invoicing of the compensated expenses shall be carried out by including them in a separate line in the tax invoice issued for the delivery of goods, services. In case the delivery of goods, services misses, re-invoicing of the compensated expenses is done by issuing the tax invoice in which only these expenses will be recorded.
- In case the taxable value of the taxable goods delivery is formed at the moment of their receipt by the purchaser as a result of determining their quality, mass and consumer properties, the tax invoice/notice accompanying the goods shall be issued when the goods are dispatched without filling in the mandatory indicators, which at the time of the goods dispatch are not specified.
- After establishing the taxable value of the respective delivery, based on the tax invoice/notice accompanying the goods, the supplier presents to the buyer the tax invoice, which reflects the numbers and series of notices accompanying the goods, and information about the deliveries made. When making multiple such deliveries during a month, the supplier, based on the tax invoices/notices accompanying the goods, issues at least once a month the tax invoice on the value of the deliveries made.
- When adjusting the taxable value of the taxable delivery of goods, services after their delivery or payment, the supplier issues the tax invoice, by indicating in this the name of the goods, services for which the taxable value has been adjusted, the adjusted VAT tax liability and the amount of the taxable value adjustment for goods and services marked with a 'minus' sign upon decrease and a 'plus' sign upon increase.

- When transporting goods, the supplier has the right to issue notices accompanying the goods. If the supplier issues notices accompanying the goods, he/she shall issue the tax invoice on the basis of the notices issued, until the end of the tax period in which the respective notices were issued.
- When delivering oil services and products, in case of use of the e-invoice, the supplier shall issue the tax invoice within a period not exceeding 10 calendar days of the month following the month in which the delivery documented by the respective tax invoice took place.

Keeping records of goods, services (Art.118 Tax Code No.1163/1997):

- Each subject of taxation is required to keep records of the total volume of the delivered goods, services and purchased inventory items, services. In the retail trade, in the services provision sector, the subjects of taxation are obliged to keep daily records of all the delivered goods and provided services, paid in cash. The records on purchase and delivery of goods, services must be prepared within one month from the end of the VAT tax period.
- Tax invoices on the material values, the purchased / delivered services are registered in the respective registers in the order of their receipt / issuance. Damaged or cancelled tax invoices are kept at the subject of taxation.

m) Administration and appeals (assessment and collection, penalties, appeal procedure, international mutual assistance and recovery of VAT claims);

Regarding administration and appeals

According to Art.113 of the Tax Code No.1163/1997, the subject carrying out entrepreneurial activity, except for public authorities, public institutions, specified in Art.51 Tax Code, except for public educational institutions, is obliged to register as a VAT taxpayer if he, in any period of 12 consecutive months, made deliveries of goods, services in an amount exceeding MDL 1.2 million, except for VAT exempt deliveries without the right to deduct and those that do not constitute a taxable object in accordance with Art.95 para.(2) Tax Code. The subject is obliged to officially notify the State Tax Service, filling in the respective form, and to register no later than the last day of the month in which the overrun took place. The subject is considered registered from the first day of the month following the month in which the overrun took place.

At the same time, the subject carrying out entrepreneurial activity has the right to register as a VAT taxpayer if he intends to make taxable supplies of goods or services. The subject is considered registered from the first day of the month following the one in which the application for registration was submitted to the State Tax Service, except for the cases provided in paragraph (1).

Likewise, according to the legal provisions, the VAT related to deliveries and procurements is declared by the taxpayer or is calculated by the STS during the tax audit performance.

If the taxpayer does not honor his liabilities to pay VAT to the National Public Budget, the STS applies enforcement measures in accordance with Art.193-207 of the Tax Code, as well as insurance measures, including calculating late payment interest according to the provisions of Art.228 of the Tax Code.

At the same time, in case the taxpayer does not present the VAT returns in the terms provided by the tax legislation, he is annulled as a subject, according to Art.113 of the Tax Code.

STS actions related to the VAT administration and calculation can be challenged by submitting appeals against the minutes of the tax inspection/as well as against tax authorities' decisions according to the Tax Code and the Administrative Code.

If the taxpayer does not agree with the STS solution regarding the appeal / prior request, he is entitled to file a lawsuit, which involves 3 degrees of jurisdiction.

Regarding recovery of arrears

The recovery of arrears is carried out in accordance with the provisions of Art.194 of the Tax Code, namely:

- a) collection of financial means, including in foreign currency, from the taxpayer's bank and/or payments accounts, excluding those from credit and provisional accounts (of financial means accumulation for the share capital formation or increase);
- b) withdrawal from the taxpayer of financial means in cash, including in foreign currency;
- c) pursuit of the taxpayer's assets, except those mentioned under the letters a) and b);
- d) pursuit of the taxpayer's debtor dues through the manners provided under the letters a), b) and c).

With regard to international mutual assistance and the recovery of claims on VAT and excise duties, according to the provisions of points 24 and 25 of the Regulation on the mechanism for applying the provisions of the international treaties of the Republic of Moldova in the field of mutual administrative assistance in tax matters approved by Government Decision No.1275/2018¹¹, the assistance for the recovery in the Republic of Moldova of some tax claims established in a foreign state, as well as the assistance for the recovery in a foreign state of the tax claims

¹¹ https://www.legis.md/cautare/getResults?doc_id=112042&lang=ro

established in the Republic of Moldova will cover the tax liabilities provided by the international treaty on basis of which the request for assistance is addressed.

If the international treaty does not expressly provide or does not allow the determination of the tax liabilities to which its provisions apply, the competent authority of the Republic of Moldova will accept the request for assistance for examination if it concerns the following tax liabilities:

- the income tax of individuals and entities;
- state social insurance contributions;
- real estate tax;
- value added tax;
- excise duties;
- tolls;
- taxes for natural resources;
- local taxes.

At the same time, the record of the amounts collected as result of the application of enforcement procedures is kept generalized without the division by types of taxes and fees.

n) Taxable persons not established within Moldova. Describe any special rules concerning the obligation to name a tax representative, right to deduct VAT or receive a VAT refund, etc.;

Taxable persons who are not established on the territory of the Republic of Moldova - non-residents who carry out entrepreneurial activity without holding the organizational-legal form in the Republic of Moldova, who provide services through the electronic networks and obtain income from the natural persons resident in the Republic of Moldova who do not carry out entrepreneurial activity, as well as non-residents who carry out entrepreneurial activity without holding the organizational-legal form in the Republic of Moldova, through which takes place the payment by the natural persons resident of the Republic of Moldova who do not carry out entrepreneurial activity of the services they benefit through the electronic networks from other non-residents, whose place of delivery is considered to be the Republic of Moldova. (Art.94 letter d) of the Tax Code No.1663/1997).

Non-residents who are subject to e-Commerce VAT do not have the right to a VAT deduction and a VAT refund from the Republic of Moldova.

o) Control procedures:

i. Is VAT control incorporated with the control of other taxes or is it separate?

The tax control procedure consists of a set of methods and operations for organizing and carrying out the control, as well as for using its results. Tax control carried out on-site and/or at the office of the tax authority may be organized and carried out using the following methods and operations: factual verification,

documentary verification, total verification, partial verification, thematic verification, cross-checking.

As regards tax control relating to the correct calculation and declaration of VAT to the budget, it is carried out by any of the methods specified.

The State Tax Service may also carry out a separate tax audit, at the taxpayer's request, in the context of the examination of the application for the refund of VAT amounts.

In all cases, two tax officials usually participate in the tax audit.

ii. How many tax officials are involved in VAT control, excluding Customs?

The total number of tax officials involved in tax control is 324 persons.

iii. What is the experience of Moldova in the exchange of information for tax purposes?

The exchange of information is carried out based on the OECD Convention on Mutual Administrative Assistance in Tax Matters and 48 bilateral Double Taxation Conventions that cover the exchange of information.

At the same time, the following treaties that provide for the exchange of information are in force:

- Agreement between the CIS Member States on Cooperation and Mutual Assistance in Matters of Compliance with Tax Legislation and Combating Violations in this Area dated 04.06.1999;
- Protocol on the Exchange of Information in Electronic Form between the CIS Member States for the Purpose of Tax Administration dated 02.11.2018;
- Agreement between the Government of the Republic of Moldova and the Government of the Republic of Azerbaijan on Cooperation and Mutual Assistance in Matters of Compliance with Tax Legislation dated 27.11.1997;
- Agreement between the Government of the Republic of Moldova and the Government of the Republic of Belarus on Cooperation and Mutual Assistance in Matters of Compliance with Tax Legislation dated 29.06.2000;
- Agreement between the Government of the Republic of Moldova and the Government of the Republic of Uzbekistan on Cooperation and Mutual Assistance in Matters of Compliance with Tax Legislation dated 10.02.1998;
- Agreement between the Government of the Republic of Moldova and the Government of the Russian Federation on Cooperation and Mutual Assistance in Matters of Tax Compliance dated 08.10.1996.

Also, it is to be noted that Moldova joined the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes in 2016. In 2021 the

Global Forum assessed Moldova's legal and regulatory framework on the implementation of the standard of transparency and exchange of information on request. The assessment of the practical implementation of the legal framework will take place separately at a later time, being scheduled for the 2nd half of 2022.

The exchange of information covers several types of taxes, including VAT.

4. Does Moldova operate free zones? If yes, please provide the text of the relevant act. Which regime is applied in the free zones for VAT and excise purposes? Are the free zones excluded from the territorial application of VAT and/or excise duties? Is VAT applied on construction material to build or renovate the free zones facilities?

In the Republic of Moldova, free economic zones are regulated by Law no.440/2001¹² on free economic zones, Law no. 8/2005 on Giurgiulesti International Free Port and Law no. 178/2008 on Marculesti International Free Airport.

Free economic zones (free entrepreneurship zones), hereinafter referred to as free zones, are parts of the customs territory of the Republic of Moldova, economically separated, strictly delimited along their entire perimeter, where are allowed, for domestic and foreign investors, types of entrepreneurial activity in preferential regime, in accordance with the law.

The territory of free zones is delimited from the rest of the country by safe fencing. The security of the borders of the free zones is ensured by the specialized security enterprises from the Republic of Moldova, based on the contracts signed by them with the Administration of the respective zone. The system of authorized crossing of the borders of the free zone is applied to the natural persons and the means of transport, the operation mode of which is established by the Government decision.

Therewith, according to Art.95 paragraph (2) letter a) of the Tax Code No.1163/1997, delivery of goods, provision of services performed within the free economic zone, the Giurgiulesti International Free Port, the Marculesti International Free Airport or under the customs warehousing regime are not objects of VAT taxation.

At the same time, according to Art.104 letters f), f¹), i) of the Tax Code No.1163/1997, the following are exempt from VAT with deduction right:

- goods, services delivered within the free economic zone outside the customs territory of the Republic of Moldova, delivered from the free economic zone outside the customs territory of the Republic of Moldova, delivered in the free economic zone from the rest of the customs territory of the Republic of Moldova, as well as those delivered by the residents of different free economic zones of the Republic of Moldova to each other,

¹² https://www.legis.md/cautare/getResults?doc_id=111437&lang=ro

with the exception of transport services delivered in the free economic zone from the rest of the customs territory of the Republic of Moldova, as well as those delivered by residents of different free economic zones of the Republic of Moldova to each other;

- goods delivered by the resident of a free economic zone of the Republic of Moldova to a non-resident of the Republic of Moldova, if the goods are handed over for processing to a resident of another free economic zone of the Republic of Moldova, indicated by the non-resident purchaser/beneficiary;
- goods and services delivered to the Giurgiulesti International Free Port and Marculesti International Free Airport from outside the customs territory of the Republic of Moldova, those delivered from the Giurgiulesti International Free Port and Marculesti International Free Airport outside the customs territory of the Republic of Moldova, those delivered to the Giurgiulesti International Free Port and the Marculesti International Free Airport from the rest of the customs territory of the Republic of Moldova, as well as those delivered by the residents of different free economic zones of the Republic of Moldova, to the Giurgiulesti International Free Port, the Marculesti International Free Airport to each other, except for transport services delivered to the Giurgiulesti International Free Port and Marculesti International Free Airport from the rest of the customs territory of the Republic of Moldova, as well as those delivered by the residents of different free economic zones of the Republic of Moldova, the Giurgiulesti International Free Port, Marculesti International Free Airport to each other.

In addition, excisable goods that are introduced into the free economic zone from outside the customs territory of the Republic of Moldova, from the rest of the customs territory of the Republic of Moldova, as well as the goods originating from this free economic zone and removed out of the customs territory of the Republic of Moldova, shall be exempt from excise duty payment (Art.124 para. (10) of the Tax Code).

Deliveries of goods subject to excise duties made within the free economic zone, the Giurgiulesti International Free Port, the Marculesti International Free Airport, as well as the deliveries of goods subject to excise duties made by economic agents from a free economic zone to another and those carried out between the residents of the Giurgiulesti International Free Port, the residents of the free economic zones of the Republic of Moldova and the residents of the Marculesti International Free Airport to each other (Art.124 para.(10¹) of the Tax Code).

Excisable goods removed from the free economic zone on the rest of the customs territory of the Republic of Moldova shall be subject to excise duty (Art. 124 para. (11) of the Tax Code).

5. What are the targets of Moldova for future developments of the country's VAT legislation (short/long term)?

- Harmonization of national tax legislation, in the field of VAT, to the provisions of European Union legislation, in accordance with the timetable set out in the Association Agreement between the Republic of Moldova, on the one hand, and the European Union and the European Atomic Energy Community and Member States of theirs, on the other hand, from 27 June 2014.
- Streamlining, systematizing and consolidating fiscal legislation while maintaining the best practices currently in place, in order to develop the national economy in a sustainable and sustainable manner.
- The stability of the fiscal legal framework and its credibility, the establishment of appropriate fiscal commitments, clarity and coherence, in line with best and successful international practices and experiences.

C. Excise duties

6. Please give a detailed description of the excise legislation in force, particularly in the following areas:

a) Taxable scope (product categories liable to excise duty). The following are of particular interest:

- Alcohol and alcoholic beverages;
- Cigarettes and other manufactured tobacco;
- Mineral oils (petrol, diesel heating oil, etc.), other energy products (natural gas, coal, biofuels, electricity); any product used as motor fuel (e.g. ethanol), addition or extender to motor fuel and hydrocarbons used as heating fuel;
- Motor vehicles (excise duties, registration taxes, circulation taxes);
- Other product categories constituting a substantial part of excise income.

According to Art.119 para.1) of the Tax Code¹³, the excise duty is a state tax applied, directly or indirectly, on the following consumer goods:

- ethyl alcohol and alcoholic beverages;
- processed tobacco;
- oil and its derivatives;
- caviar and caviar substitutes;
- perfumes and eau de toilette;
- fur clothing;

¹³ https://www.legis.md/cautare/getResults?doc_id=130659&lang=ro#

- means of transport specified in Annex No.2 to this Code;
- other goods specified in Annex No.1 to this Code.

b) How is the taxable amount defined for each excise good (e.g. by volume, mass, *ad valorem*, etc.)?

The excise duty rates, according to the Annexes of the Tax Code, shall be established:

- in absolute amount per unit of measurement of the goods;
- *ad valorem* in percentage of the goods value, excluding the excise duty and VAT, or the customs value of the imported goods, taking into account the taxes and duties to be paid upon import, but excluding the excise duties and VAT.

The subjects of taxation, who dispatch (transport) goods subject to excise duties from the fiscal warehouse, calculate excises starting from the goods volume in natural expression or from their value (depending on the rate - in absolute amount or *ad valorem* in percent).

The goods are subject to excise duty at the moment of:

- their dispatch (transport) from the fiscal warehouse;
- their import into the Republic of Moldova.

Filtered and unfiltered cigarettes (tariff position 240220) produced in the Republic of Moldova and the imported ones are subject to *ad valorem* excise duty calculated at the maximum retail price, as well as to an excise duty calculated per unit of product.

For filtered and unfiltered cigarettes, excise duty shall be calculated as the sum of excise duty determined by applying (multiplying) the rate set in absolute amount to the volume in natural expression (1000 pieces) at the time of dispatch from the fiscal warehouse or upon import and excise duties determined by applying (multiplying) the *ad valorem* percentage rate, determined at the maximum retail price.

For the processed tobacco, except for filtered and unfiltered cigarettes, excise duty shall be applied according to the rates set out in Annex No.1 of the Tax Code:

- expressed as a sum per kilogram;
- expressed as a sum for a given number of pieces;
- *ad valorem* in percentage of the goods value.

c) Excise duty exemptions or reductions.

Exemptions from excise duties shall be applied in accordance with Art.124 of the Tax Code, in the following cases:

(1) Excise duty shall not be paid by natural persons importing goods for personal use or consumption, the value or quantity of which does not exceed the limit established by the legislation in force. If the customs value of the goods exceeds the non-taxable amount of 300 EUR for goods imported by persons using land transport or 430 EUR for goods imported by persons using air or maritime transport, the excise duty shall be calculated on the basis of the customs value of the goods, and the mentioned nontaxable amount does not diminish their taxable value.

(1¹) Excise duties are not paid by natural persons entering goods in commercial transactions (B2C - from business to consumer), by international postal items where the goods are not of a commercial nature, do not exceed the quantitative limits set by legislation and their intrinsic value does not exceed the non-taxable limit of 200 EUR. If the goods are of a commercial nature, exceed the quantitative limits established by law or their intrinsic value exceeds the non-taxable limit of 200 EUR, the excise duty will be calculated starting from the goods value in customs and the said non-taxable limit does not reduce their taxable value.

(2) Excise duty shall not be paid upon import of excisable goods defined as humanitarian aid, as established by the Government.

(2¹) Based on the principle of reciprocity, excise duties shall not be paid when importing and/or delivering on the territory of the Republic of Moldova goods and services intended for official use by diplomatic missions and consular offices accredited in the Republic of Moldova, representative offices of international organizations accredited in the Republic of Moldova, intended for personal use or consumption by members of the staff of these diplomatic missions and consular offices or representative offices of international organizations, as well as by members of their families living with them, except for the citizens of the Republic of Moldova, as well as foreign citizens and stateless persons with permanent residence in the Republic of Moldova.

(2²) Excise duties are not paid for consumables imported by the foreign military force that carry out temporary military applications, intended for the exclusive use or consumption of the military force and the civilian component. The list of consumables is approved by the Ministry of Defense of the Republic of Moldova.

(2³) Excise duties are not paid for consumables imported by the international intervention teams / modules that participate in international management exercises of the consequences of exceptional situations that take place on the territory of the Republic of Moldova, intended for exclusive use or consumption of the international intervention teams / modules. The list of consumables is approved by the Ministry of Internal Affairs and is presented to the Customs Service.

(3) Are exempt from excise duty excisable goods:

a) intended for technical assistance projects, carried out on the territory of the Republic of Moldova by international organizations and donor countries within the limits of the treaties to which it is a party;

b) financed from grants provided to the Government, intended for the implementation of the given projects, as well as grants provided to budget-financed institutions.

The international treaties list to which the Republic of Moldova is a party, the technical assistance projects list, the list of grants provided to the Government and budget-financed institutions, as well as the application of the excise exemption is established by the Government.

(4) Excise duty shall not be paid by the subjects of taxation when exporting excise goods independently or on the basis of a commission contract, in case justifying documents established by the Government exist.

(4¹) Excise duties shall not be paid for property that is confiscated, for the property transferred by right of inheritance to the state and for treasures.

(5) Excise duties are not paid on the placement, delivery of excisable goods from the customs territory in the duty-free shops and their sale s, as well as on the introduction of excisable goods on the customs territory and their placement under customs transit procedures, processing under customs control, customs warehouse, under customs destruction destinations, abandonment for the benefit of the state. The goods subject to excise duties placed in duty-free store located in the entrance area on the territory of the Republic of Moldova, the duty-free store for servicing the diplomatic corps, after sale, at the end of customs clearance, are placed under import customs duties.

(6) When introducing foreign excisable goods into the customs territory and placing them under the customs regime of inward processing, the excise duty shall be paid on the introduction of these goods, with the subsequent refund of the paid excise duty upon removal from the customs territory of products resulting from processing, in the manner established by the Government.

(7) Excise duty shall not be paid when placing excisable goods under the customs regime of temporary admission.

(8) Excise duties shall not be paid when importing domestic excisable goods previously exported and reintroduced within 3 years in the same state according to customs regulations.

(9) The excise duties amount paid upon introducing into the customs territory of the Republic of Moldova of the foreign excisable goods under the customs import regime shall be refunded upon their removal from the customs territory, when placing them under the free zone customs destination, in the manner established by the Government.

(10) Excisable goods that are introduced into the free economic zone from outside the customs territory of the Republic of Moldova, from the rest of the customs territory of the Republic of Moldova, as well as the goods originating from this free economic zone and removed out of the customs territory of the Republic of Moldova, shall be exempt from excise duty payment.

(10¹) Deliveries of goods subject to excise duties made within the free economic zone, the Giurgiulesti International Free Port, the Marculesti International Free Airport, as well as the deliveries of goods subject to excise duties made by economic agents from a free economic zone to another and those carried out between the residents of the Giurgiulesti International Free Port, the residents of the free economic zones of the Republic of Moldova and the residents of the Marculesti International Free Airport to each other.

(11) Excisable goods removed from the free economic zone on the rest of the customs territory of the Republic of Moldova shall be subject to excise duty.

(11¹) Excise duty shall not be paid for excisable goods imported by legal persons for non-commercial purposes if the intrinsic value of these goods does not exceed 100 EUR. In case their intrinsic value exceeds the specified non-taxable limit, the excise duty shall be calculated on the basis of the customs value of the goods and the specified non-taxable limit shall not reduce their taxable value.

(11²) The importation of samples of goods with an intrinsic value not exceeding 22 EUR for an import shall be exempt from excise duty. If the value of the samples exceeds the indicated non - taxable limit, the excise duty shall be calculated on the basis of the customs value of the samples of goods and the said non - taxable limit shall not reduce their taxable value. In order to benefit from the exemption, the samples must be unusable by breaking, punching or clear and permanent marking or by other means, provided that this operation does not destroy their character as samples. The exemption from excise duty shall not apply to alcoholic products falling within the tariff positions 220300, 2204, 2205, 220600, 2207, 2208, perfumes and toilet waters falling within the tariff position 330300, tobacco and tobacco products falling within the tariff positions 2401, 2402, 2403.

(13) In case of non-compliance with the provisions of paras (5) – (9) of this Article and with conditions of the chosen customs regime, established by the customs legislation of the Republic of Moldova, the subjects of taxation and persons specified at Art.4 para.(5) of the Law No.1054/2000¹⁴ on implementation of Title IV of the Tax Code shall pay the excise duties according to the rates, established in the Annex No.1 to this Title and a penalty in the amount determined in accordance with Article 228.

(14) The following means of transport, irrespective of their exploitation term, shall be exempt from excise duty:

1) imported and delivered for transportation of persons with disabilities of the locomotor system pursuant to the provisions of Art.49 para.(3) of the Law No.60/2012¹⁵ on social inclusion of persons with disabilities, classified under the tariff position 8703 (including with cylinder capacity up to 2500 cm³);

¹⁴ https://www.legis.md/cautare/getResults?doc_id=129321&lang=ro#

¹⁵ https://www.legis.md/cautare/getResults?doc_id=130550&lang=ro#

2) imported and delivered free of charge (donation), intended for:

a) medical purposes, classified under the tariff positions 8702 and 8703;

b) fire-fighting, classified under the tariff position 870530000;

c) street cleaning, materials scattering, garbage collecting, classified under the tariff position 8705.

Both beneficiaries may benefit from the respective fiscal facility, provided that the mentioned means of transport are used exclusively in accordance with their final destination, as well as third parties who have imported these means of transport to beneficiaries.

Beneficiaries and third parties may not trade, donate, transmit by inheritance or any other form of giving in possession or use, rent, lease, transmit in usufruct, operating or financial leasing of the said means of transport. If these provisions are not complied with, the VAT amounts, excise duties, customs duty and the fee for carrying out customs procedures shall be calculated and paid by the beneficiary or by the third party, depending on who placed these means of transport under the customs procedure of import, the customs value of the means of transport and/or the cylinder capacity of the engine on the date of import. Notwithstanding these provisions, after the expiry of the 5-year term from the exemption receipt date, the beneficiaries among the persons with disabilities of the locomotive system are allowed to sell the means of transport. The manner of importing, placing under import customs regime of the mentioned means of transport and using this tax benefit is established by the Government.

(15) Undenatured ethyl alcohol from the tariff positions 220710000 and 220890910, intended for pharmaceutical production and use in medicine, within the volume of the annual quota established by the Government is exempted from excise duty.

(16) Undenatured ethyl alcohol under the tariff position 220710000, intended for use in the perfumery and cosmetics industry, shall be exempt from excise duty within the limits established by the sectoral ministry, coordinated with the State Tax Service and the Customs Service, in order to implement the perfumery and cosmetics industry program for that year. The undenatured ethyl alcohol used by subjects of taxation carrying out simultaneously their activity in the perfumery and cosmetics industry, as well as in the production and trading of alcoholic beverages, shall not be exempt from excise duty.

(17) Goods under the tariff positions 280430000 and 280440000 produced on the territory of Moldova shall be exempt from excise duty.

(18) The excise duty rate is reduced by 50% for vehicles from the tariff positions 870360, 870370000. The excise duty rate is reduced by 25% for cars from the tariff

positions 870340, 870350000. The exemption of 25% of the excise duty rate does not apply to the hybrid and mild hybrid micro vehicles.

(19) Beer, wine under the tariff position 2205 and fermented beverages produced by the natural person who does not carry out entrepreneurial activity and is consumed by him/her and his/her family members, shall be exempt from excise duty, provided these products are not being sold.

(19¹) In case of products falling within the tariff position 240311000, the excise duty rate shall be set at the percentage of tobacco in the composition of the product set by the producer, but not less than 20% of the excise duty rate fixed for the year of management under the tariff position 2403.

(20) The fuel intended for the refueling of the ships involved in the international transport of goods and passengers in the Giurgiulesti International Free Port, regardless of the ship's nationality or flag, shall be exempt from excise duty.

(21) The import of goods from the tariff positions 271012310, 271012700 and 271019210, intended for supply of the aircraft involved in the international carriage of goods and passengers, shall be exempt from excise duty.

d) What is the rate of duty applied for each product concerned? Is the rate level the same for similar imported products? If not, explain why.

Goods subject to excise duties:

Annex No.1 of the Tax Code

Tariff position	Description of goods	Unit of measurement	Excise duty rate		
			2021	2022	2023
160431000	Caviar	value in MDL	25%	25%	25%
160432000	Caviar substitutes	value in MDL	25%	25%	25%
220300	Malt beer	liter	2.76 MDL	2.90 MDL	3.05MDL
2205	Vermouths and other wines from fresh grapes, flavored with plants or aromatic substances	liter	15.75 MDL	16.54 MDL	17.37 MDL
220600	Other fermented beverages; mixtures of fermented beverages and mixtures of fermented beverages and nonalcoholic beverages, not elsewhere specified or included, except apple cider, pear cider	liter	15.75 MDL	16.54 MDL	17.37 MDL
220600310	Apple and pear cider, sparkling	liter	3.05 MDL	3.20 MDL	3.36 MDL
220600510	Apple and pear cider, still, presented in containers holding maximum 2 liters	liter	3.05 MDL	3.20 MDL	3.36 MDL
220600810	Apple and pear cider, still, presented in containers holding more than 2 liters	liter	3.05 MDL	3.20 MDL	3.36 MDL

2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher; ethyl alcohol and other denatured distillates, of any alcoholic strength by volume	liter of absolute alcohol	109.55 MDL	115.02 MDL	120.77 MDL
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; distillates, spirits, liqueurs and other spirituous beverages	liter of absolute alcohol	109.55 MDL	115.02 MDL	120.77 MDL
240210000	Sheet cigarettes (including cut-off cigarettes) and cigars, containing tobacco	1000 pieces / value in MDL	41%	41%, but not less than 959 MDL	41%, but not less than 1103 MDL
240220	Cigarettes containing tobacco:				
	- with filter	1000 pieces / value in MDL	621 MDL + 13%, but not less than 834 MDL	715 MDL + 13%, but not less than 959 MDL	822 MDL + 13%, but not less than 1103 MDL
	- without filter:				
	oval with a length of up to 70 mm	1000 pieces / value in MDL	621 MDL + 13%, but not less than 834 MDL	715 MDL + 13%, but not less than 959 MDL	822 MDL + 13%, but not less than 1103 MDL
	with mouthpiece, others	1000 pieces / value in MDL	621 MDL + 13%, but not less than 834 MDL	715 MDL + 13%, but not less than 959 MDL	822 MDL + 13%, but not less than 1103 MDL
240290000	Other sheet cigarettes, cigars and cigarettes containing tobacco substitutes	value in MDL	41%	41%, but not less than 959 MDL	41%, but not less than 1103 MDL
2403	Tobacco for smoking, other processed tobacco and tobacco substitutes; 'homogenized' or 'reconstituted' tobacco; tobacco extracts and essences	kilogram	157.80 MDL	165.70 MDL	174.00 MDL
ex. 240319	Fine-cut tobacco for rolling in cigarettes	kilogram	1260 MDL	1323 MDL	1389 MDL
ex. 240399900	Tobacco reserves for tobacco heaters	1000 pieces	834 MDL	959 MDL	1103 MDL
ex. 270710000	Benzols for use as power or heating fuels	ton	6496 MDL	7082 MDL	7719 MDL
ex. 270720000	Toluene intended for use as power or heating fuels	ton	6496 MDL	7082 MDL	7719 MDL
ex. 270730000	Xylols intended for use as power or heating fuels	ton	6496 MDL	7082 MDL	7719 MDL
270750000	Other mixtures of aromatic hydrocarbons distilling at least 65% of the volume (including losses) at 250 ⁰ C according to ISO 3405 (equivalent to the ASTM D 86 method)	ton	6496 MDL	7082 MDL	7719 MDL
270900100	Natural gas condensate	ton	6496 MDL	7082 MDL	7719 MDL
271012110– 271019290	Light and medium oils (distillates)	ton	6496 MDL	7082 MDL	7719 MDL
271019310– 271019480	Diesel, including power (heating) diesel and furnace fuel	ton	2734 MDL	2980 MDL	3248 MDL

271019510	Fuel oil intended to be subjected to a specific treatment	ton	409 MDL	409 MDL	409 MDL
271019620– 271019680	Fuel oil intended for other uses	ton	409 MDL	409 MDL	409 MDL
271020110– 271020190	Diesel	ton	2734 MDL	2980 MDL	3248 MDL
271020310– 271020390	Fuel oil	ton	409 MDL	409 MDL	409 MDL
271112	Propane	ton	3759 MDL	3947 MDL	4144 MDL
271113	Butane	ton	3759 MDL	3947 MDL	4144 MDL
271114000	Ethylene, propylene, butylene and butadiene	ton	3759 MDL	3947 MDL	4144 MDL
271119000	Other liquefied	ton	3759 MDL	3947 MDL	4144 MDL
280430000	Azote	ton	3654 MDL	3837 MDL	4029 MDL
280440000	Oxygen	ton	4037 MDL	4239 MDL	4451 MDL
290110000	Saturated acyclic hydrocarbons	ton	6496 MDL	7082 MDL	7719 MDL
ex. 290124000	Buta-1,3-diene	ton	6496 MDL	7082 MDL	7719 MDL
290129000	Other unsaturated acyclic hydrocarbons	ton	6496 MDL	7082 MDL	7719 MDL
290211000	Cyclohexane	ton	6496 MDL	7082 MDL	7719 MDL
290219000	Other cyclane, cyclene and cycloterpenic hydrocarbons	ton	6496 MDL	7082 MDL	7719 MDL
ex. 290220000	Benzene intended for use as power or heating fuel	ton	6496 MDL	7082 MDL	7719 MDL
290230000	Toluene	ton	6496 MDL	7082 MDL	7719 MDL
290244000	Mixture of xylene isomers	ton	6496 MDL	7082 MDL	7719 MDL
290290000	Other cyclic hydrocarbons	ton	6496 MDL	7082 MDL	7719 MDL
290511000- 290513000	Monohydric alcohols (methanol, propan-1-ol, propan-2-ol, butan- 1-ol)	ton	6496 MDL	7082 MDL	7719 MDL
290514	Other butanols	ton	6496 MDL	7082 MDL	7719 MDL
290516	Octanol (octyl alcohol) and its isomers	ton	6496 MDL	7082 MDL	7719 MDL
ex. 290519000	Pentanol (amelic alcohol)	ton	6496 MDL	7082 MDL	7719 MDL
2909	Ethers, ethers- alcohols, ethers- phenols, ethers- alcohols-phenols, peroxides of alcohols, peroxides of ethers, peroxides of ketones (whether or not chemically defined) and their halogenated, sulphonated, nitrated or nitrosated derivatives	ton	6496 MDL	7082 MDL	7719 MDL
330300	Perfumes and eau de toilette	value in MDL	30%	30%	30%
381400900	Other compound organic solvents and diluents not elsewhere specified or included; prepared for removing paints or varnishes	ton	6496 MDL	7082 MDL	7719 MDL
381700500	Linear achylbenzene	ton	6496 MDL	7082 MDL	7719 MDL
381700800	Other	ton	6496 MDL	7082 MDL	7719 MDL

ex. 382499960	Cartridges and spare parts for electronic cigarettes; prepared intended for use in cartridges and spare parts for electronic cigarettes	liter	–	1957 MDL	2055 MDL
ex. 430310	Fur clothing (mink, polar fox, fox, sable)	value in MDL	25%	25%	25%

Excise duty rate for means of transportation

Annex No.2 of the Tax Code

Table No.1

Tariff position	Name of the goods	Unit of measure	Excise duty rate depending on the term of exploitation of the means of transport, MDL																
			from 0 to 2 years including	from 3 to 4 years including	from 5 to 6 years including	from 7 to 8 years	from 8 to 9 years	from 9 to 10 years	from 10 to 11 years	from 11 to 12 years	from 12 to 13 years	from 13 to 14 years	from 14 to 15 years	from 15 to 16 years	from 16 to 17 years	from 17 to 18 years	from 18 to 19 years	from 19 to 20 years and more	
8703	Cars and other motor vehicles, designed primarily for the transport of persons (other than those of position 8702), including station wagons and racing cars:																		
	- Other vehicles with reciprocating positive ignition piston engine:																		
870321	With a cylinder capacity not exceeding 1000 cm ³	cm ³	9.56	10.00	10.23	11.25	12.38	13.62	16.34	21.24	26.24	31.24	36.24	41.24	46.24	51.24	56.24	61.24	66.24
870322	Of a cylinder capacity exceeding 1000 cm ³ but not exceeding 1500 cm ³	cm ³	12.23	12.67	12.90	14.19	15.61	17.17	20.60	26.79	31.79	36.79	41.79	46.79	51.79	56.79	61.79	66.79	71.79
870323	Of a cylinder capacity exceeding 1500 cm ³ but not exceeding 2000 cm ³	cm ³	18.90	19.34	19.57	21.53	23.68	26.05	31.26	40.63	45.63	50.63	55.63	60.63	65.63	70.63	75.63	80.63	85.63

870323	Of a cylinder capacity exceeding 2000 cm ³ but of maximum 3000 cm ³	cm ³	31.14	31.58	31.81	34.99	38.49	42.34	50.81	66.05	71.05	76.05	81.05	86.05	91.05	96.05	101.05	106.05	111.05
870324	With a cylinder capacity exceeding 3000 cm ³	cm ³	55.60	56.04	56.27	61.90	68.09	74.90	89.87	116.84	121.84	126.84	131.84	136.84	141.84	146.84	151.84	156.84	161.84
– Other vehicles (cars) with piston engine, compression ignition (diesel or semi-diesel):																			
870331	With a cylinder capacity of maximum 1500 cm ³	cm ³	12.23	12.67	12.90	14.19	15.61	17.17	20.60	26.79	31.79	36.79	41.79	46.79	51.79	56.79	61.79	66.79	71.79
870332	Of a cylinder capacity exceeding 1500 cm ³ but of maximum 2500 cm ³	cm ³	31.14	31.58	31.81	34.99	38.49	42.34	50.81	66.05	71.05	76.05	81.05	86.05	91.05	96.05	101.05	106.05	111.05
870333	With a cylinder capacity exceeding 2500 cm ³	cm ³	55.60	56.04	56.27	61.90	68.09	74.90	89.87	116.84	121.84	126.84	131.84	136.84	141.84	146.84	151.84	156.84	161.84
870340	Other vehicles with both spark- ignition reciprocating internal combustion piston engines and electric motors as propulsion engines, other than those that can be charged by connection to an external source of electricity	cm ³	The excise rate is established similarly to the tariff positions 870321–870324, depending on the term of operation and the cylinder capacity, under the conditions of Article 124 para.(18)																
870350000	Other vehicles with both compression-ignition internal combustion piston engine (diesel or semi- diesel) and electric motor as propulsion engines , other than those which can be charged by connection to an external source of electricity	cm ³	The excise rate is established similar to the tariff positions 870331–870333, depending on the term of operation and the cylinder capacity, under the conditions of Article 124 para.(18)																
870360	Other vehicles with both spark- ignition reciprocating internal combustion piston engine and electric motor as propulsion engines, which can be charged by connection to an external source of electricity	cm ³	The excise rate is established similarly to the tariff positions 870321–870324, depending on the term of operation and the cylinder capacity, under the conditions of Article 124 para.(18)																
870370000	Other vehicles with both compression- ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as propulsion engines, which can be charged by connection to an external source of electricity	cm ³	The excise rate is established similar to the tariff positions 870331–870333, depending on the term of operation and the cylinder capacity, under the conditions of Article 124 para.(18)																

8711	Motorcycles (including mopeds) and bicycles, tricycles or the like, fitted with pedals and auxiliary motor, with or without attachment; sidecars	cm 3	0	0	0	0	0	0	0	0	21. 24	26. 24	31. 24	36. 24	41. 24	46. 24	51. 24	56. 24	61. 24	66. 24
9705	Collectible vehicle of historical or ethnographic interest																From 30 years to 39 years inclusive - 40,000 MDL. From 40 years to 49 years inclusive - 30,000 MDL. From 50 years - 20,000 MDL			

Table No.2

Tariff position	Name of the goods	The customs value of the car, MDL		Additional excise rate, % of the customs value of the car
		Minimum	Maximum	
8703	Luxury car, excluding medical means of transport imported for medical purposes classified under tariff position 8703	600000	700000	2
		700001	800000	3
		800001	900000	4
		900001	1000000	5
		1000001	1200000	6
		1200001	1400000	7
		1400001	1600000	8
		1600001	1800000	9
		1800001		10

Table No.3

Tariff position	Vehicle category	Age	Special excise duty, MDL/cm ³
Tractors under tariff position 870110000, 8701200, 870130000, 870191900, 870192900, 870193900, 870194900, 87019500	N	up to and including 12 years	0
		from 13 to 15 years inclusive	10
		from 16 to 18 years inclusive	20
		from 19 years	60
Tractors under tariff position 870191100, 870192100, 870193100, 870194100, 870195100	N	up to and including 20 years	0
		from 21 to 23 years inclusive	10
		from 24 to 26 years inclusive	20
		from 27 years	60
Motor vehicles under tariff	M2	up to and including 7 years	0

position 8702		from 8 to 10 years inclusive	8
		from 11 to 12 years inclusive	16
		from 13 to 15 years inclusive	30
		from 16 years	80
Motor vehicles under tariff position 8704 and 8705	M3	up to and including 10 years	0
		from 11 to 12 years inclusive	5
		from 13 to 15 years inclusive	10
		from 16 years	60
	N1	up to and including 10 years	0
		from 11 to 12 years inclusive	13
		from 13 to 15 years inclusive	17
		from 16 years	80
	N2	up to and including 10 years	0
		from 11 to 12 years inclusive	11
		from 13 to 15 years inclusive	16
		from 16 years	60
	N3	up to and including 10 years	0
		from 11 to 12 years inclusive	6
		from 13 to 15 years inclusive	11
		from 16 years	60

e) Chargeable event and chargeability of the duty.

Goods are subject to excise duty at the time:

- of their dispatch (transportation) from the fiscal warehouse;
- their import into the Republic of Moldova.

For excise goods shipped within the country, the deadline for excise duties payment occurs on the 25th of the month following the month in which the shipment from the tax warehouse took place.

f) Rules concerning the import and export of excise goods, including travel allowances.

According to the Annex of Law No.1569/2002¹⁶, natural persons, at each crossing of the state border, have the right to introduce the following quantities of excisable goods without paying the import duty:

- Malt beer – 5 liters;
- Natural grape wines, including fortified wines; grape must other than that of position 2009; vermouths; strong alcoholic beverages, liqueurs and other spirits – 2 liters;
- Sheet cigarettes, cigars – 50 pieces;
- Cigarettes of tobacco or of tobacco substitutes – 200 pieces;
- Fuel - Fuels for the means of transport by car, provided that they are in the tanks of the means of transport with which the person enters the territory of the Republic of Moldova;
- Natural furs and fur skins; artificial furs – 1 piece.

¹⁶ https://www.legis.md/cautare/getResults?doc_id=125270&lang=ro#

g) Registered/non-registered traders.

Registration of the subjects of taxation (Art.126 of the Tax Code)

(1) Legal entities and natural persons intending to engage in or are engaged in the processing and/or production of excisable goods are required to obtain an excise certificate of the type established by the State Tax Service, prior to the beginning the specified activities.

(2) The application for the excise certificate (set by the Ministry of Finance), submitted to the State Tax Service by the economic agent shall include:

a) the name, first name and surname, legal address (addresses) and the Tax Identification Number(s);

b) the owner of the building, premises, territory, land;

c) the name, first name and surnames, legal address (addresses) and the Tax Identification Number(s) of the lessee or the lessor, if the property is used for carrying out entrepreneurial activity on the basis of the lease or rental contract;

d) the concrete forms and methods of control, the use of which ensures the excisable goods integrity, including during their dispatch from one fiscal warehouse to another of one and the same economic agent, if these warehouses are located on different territories.

(3) The location scheme (plan) of the administrative building, production section, warehouse, other premises located on the territory of the economic agent, within the limits established for carrying out the entrepreneurial activity, shall be attached to the application.

(4) If the application contains verifiable information, the State Tax Service shall issue to the applicant the excise certificate and its annex, including the scheme (plan) indicated in para. (3) of this Article. The specified person becomes authorized warehouse keeper.

(5) The State Tax Service may refuse to issue the excise certificate, if it considers that the control over the economic agent activity or the fiscal warehouse cannot be performed, or the forms and methods of control referred to in para. (2) letter d) of this Article do not ensure the integrity of the excisable goods.

(6) In case several economic agents use the same fiscal warehouse for processing and/or production of excisable goods, the State Tax Service is obliged to independently determine the authorized warehouse keeper(s) responsible for the payment of the excise duty, as provided by this service.

(7) The authorized warehouse keeper, who intends to make some changes that must be reflected in the excise certificate or the annex to it, is required to submit the appropriate application to the State Tax Service.

Annulment and suspension the registration of the subjects of taxation (Art.126¹ of the Tax Code)

(1) In the case of completion of processing and/or production process of excisable goods (unless there are excisable goods stocks in the warehouse), legal and natural persons registered as authorized warehouse keepers are required to notify the State Tax Service about this. The annulment of registration as an excise duty payer shall be carried out in the manner established by the State Tax Service.

(1¹) The State Tax Service is entitled independently to initiate the procedure for the annulment of the registration of the authorized warehouse keeper (unless there are stocks of excisable goods in the warehouse) if the authorized warehouse keeper has not submitted the excise tax return for tax periods of two consecutive months.

(2) The date of annulment of the registration as authorized warehouse keeper shall be considered as the date of preparation of the tax audit document on the basis of which the decision of the State Tax Service management to cancel the registration shall be issued.

(3) In case of suspension of activity of the authorized warehouse keeper in accordance with the current legislation, the registration as authorized warehouse keeper shall not be canceled. In case of dispatch (transport) of excisable goods from the fiscal warehouse during the activity suspension period, the authorized warehouse keeper liabilities and rights shall be restored from the moment of removal the excisable goods from the fiscal warehouse.

7. Does Moldova have a tax warehousing system for some/all product categories subject to excise?

Moldova has a tax warehouse system for some categories of excisable products.

In accordance with Art.119 of the Tax Code:

- fiscal warehouse means all places, determined in the excise certificate, in which the goods subject to excise duties are produced, processed, held or dispatched (transported) by the authorized warehouse keeper in his activity, in which excise duties are not calculated and paid.
- authorized warehouse keeper is a natural or legal person authorized by the State Tax Service, in the course of his activity, to produce, process, store or dispatch (transport) excisable goods in a fiscal warehouse.

According to Art.126 para. (1) of the Tax Code, legal entities and natural persons intending to engage in or are engaged in the processing and/or production of

excisable goods are required to obtain an excise certificate of the type established by the State Tax Service, prior to the beginning the specified activities.

In order to obtain the Excise Certificate, business, which are obliged to register as an authorized warehouse keeper, shall submit to the Tax Service Department in the area where they are served, an application for the Excise Certificate of the model established by the Ministry of Finance (Order No.28 of the Ministry of Finance¹⁷, dated February 9th, 2017), indicating in it the following information:

- a) name, surname and forename, legal address (legal addresses) and the tax code (tax codes);
- b) the owner of the building, room, territory, land;
- c) the name, surname and forename, legal address (s) and the tax code (tax codes) of the lessor or locator, if the property is used for carrying out entrepreneurial activity, based on the lease or tenancy contract;
- d) the concrete audit forms and methods, the application of which ensures the integrity of the goods subject to excise duties, including when they are sent from one tax warehouse to another of one and the same economic agent, if these warehouses are located on different territories.

The Application for registration as an authorized warehouse keeper shall be submitted:

- in electronic format via the AIS ‘e-Application’, or;
- presented on paper to the TSD within the service area of which the taxpayer is legally registered.

The tax official within the TSD, after examining the information reflected in the Application, carries out the tax visit which results in the subsequent completion of the Tax Visit Report where follows to be stated clearly on the possibility of registering the applicant as an authorized warehouse keeper.

During tax visits, the inspector verifies the means of ensuring:

- the excised goods’ integrity,
- the fact that the room is guarded,
- the lack of possibility for foreigners to enter the tax warehouse territory, including at night,
- the certainty about the producer/owner of the excised goods.

If several economic agents use one and the same tax warehouse for the processing and/or manufacturing of goods subject to excise duties, the State Tax Service is

¹⁷ https://www.legis.md/cautare/getResults?doc_id=105104&lang=ro#

obliged to independently determine the authorized warehouse keeper (s) responsible for paying the excise duties.

If the Application contains verifiable and authentic information, the responsible tax official within the TSD shall issue to the person who submitted the Application, the Excise Certificate and the Annex thereto.

The examination of registration cases as an authorized warehouse keeper and the Excise Certificate issuance shall be carried out within 7 working days from the Application for the Excise Certificate receipt.

The State Tax Service may refuse to issue the Excise Certificate if it considers that the economic agent or the tax warehouse activity cannot be checked or the audit forms and methods provided in Art.126 para. (2) letter d) of the Tax Code, do not ensure the excise goods integrity.

The refusal to issue the Excise Certificate results in the mandatory issuance to the applicant of the written notice stating the reasons underlying it, signed by the head of the TSD.

8. How far down the distribution chain does each warehousing system generally reach? Do general warehouses exist to which any importer may consign his products? How is duty financially secured (e.g. guarantee)? What physical security is required? How are movements between warehouses and between the frontier and warehouses handled?

The tax warehouse is used in the production activity only by producers of excise goods who are registered as subjects of excise taxation with the State Tax Service (Art.119 and Art.120 letter a) of the Tax Code).

Respectively, intermediaries, whose activity does not involve the production, processing, transformation of excise goods, are not obliged to own tax warehouses.

Regarding importers of excise goods, who qualify as subjects of excise taxation, but who do not hold the status of authorized warehouseman, it should be noted that according to the tax legislation of the Republic of Moldova, they are not obliged to have a tax warehouse.

According to Section No.8 of the Customs Code¹⁸, the customs warehouse is the place approved by the customs body and under its supervision, where the goods can be stored.

The customs warehousing procedure allows the storage in a warehouse:

- of foreign goods, without the application of import duties and economic policy measures;

¹⁸ https://www.legis.md/cautare/getResults?doc_id=130518&lang=ro#

- of the local goods destined for export;
- of the domestic goods necessary for the operations carried out with the goods placed under the customs warehousing regime provided in Art.56 of the Customs Code and destined for introduction on the territory of the country.

The holder of the customs warehouse, hereinafter referred to as the warehouse keeper, is the legal person who administers and manages the customs warehouse.

The warehouse keeper is the holder of the customs warehousing declaration, according to which the goods are placed under the customs warehousing procedure.

The customs warehouse must meet the following requirements:

- to be arranged in such a way as to allow access only to persons holding this right;
- to have the entrances and exits marked with the inscription 'Customs warehouse - Customs control' are in Romanian language, Russian language and English language;
- to have unloading-loading equipment and means of transport, specialized storage equipment, to ensure adequate storage of goods, means of weighing goods, means of communication, office equipment, furniture and other equipment necessary for the normal operation of the warehouse, as well as devices for blocking the entrances and exits;
- to have a video surveillance system, according to the requirements established by the Customs Service.

Conditions for placing goods under the customs warehousing procedure:

- Any goods may be placed under the customs warehousing procedure, except those which are prohibited from entering or leaving the customs territory, as well as other goods provided for by law.
- Goods liable to alter other goods or those which require special storage conditions must be kept in special rooms.

A customs warehouse can be public or private.

The public customs warehouse is available to any person for the storage of goods.

The private customs warehouse is intended exclusively for the storage of goods by the warehouse keeper.

The warehouse keeper has the following obligations towards the customs body:

- to fulfill the conditions of organization and operation of the customs warehouse established in the authorization;
- to ensure the supervision of the goods so that it is not possible to evade them from the customs control;

- to ensure the integrity of the stored goods.

Warranty conditions:

- The customs body requests the depositary to set up a guarantee to ensure payment of the customs obligation that may arise during the procedure corresponding to the goods in the warehouse.
- The customs body requests, for the goods in the warehouses managed by it, that the guarantee be constituted by the holder of the warehousing regime in order to ensure the conclusion of the operation within the established term. If the warehousing operation is not completed within the established time limit, the customs body shall, ex officio, proceed with the conclusion of the operation and collect the related import duties, after which the operation shall be removed from the records.

Operations carried out with goods placed under the customs warehousing procedure:

- to ensure their integrity;
- preparation, with the consent of the customs body, for sale and transportation (packaging, marking, including excise stamps, loading, unloading, etc.).

Operations carried out on goods placed under the customs warehousing procedure may not alter their technical, quality and quantity parameters.

According to Section No.9 of the Government Decision No.1140/2005¹⁹ for the approval of the Regulation on the application of destinations provided by the Customs Code of the Republic of Moldova, the customs warehousing procedure shall end with:

- import of foreign goods;
- placing foreign goods under another suspensive customs procedure;
- re-export of stored foreign goods;
- abandonment of foreign goods in favor of the state;
- destruction of foreign goods under customs control;
- export of domestic goods.

The ending of the customs warehousing procedure for domestic goods that have previously been cleared through export is done only by placing the goods in transit procedure at a border customs office in order to remove them from the country.

Placement of goods stored in a new customs-approved treatment or use must be carried out within the time allowed in the authorization by submitting a customs declaration corresponding to the new destination.

¹⁹ https://www.legis.md/cautare/getResults?doc_id=125323&lang=ro

The holder of the customs declaration by which the customs warehousing procedure ends is responsible for the payment of the customs obligation resulting from the placement of the goods in a new customs destination.

The placement in a warehouse and movement between different warehouses is carried out on the basis of a customs declaration, from the border to the warehouse on the basis of a transit declaration with a mandatory guarantee of the customs debt.

9. Does Moldova operate other suspension schemes, i.e. tax arrangements applied to the production, processing, holding and movement of products where excise duties are being suspended? Is there a special tax regime with any non-EU countries requiring no excise duty payment or tax stamping?

According to point 3 of the Government Decision No.1123/2006²⁰ for the approval of the Regulation on the refund of excise duties, the right to a refund of excise duties occurs in the situations provided by:

- Art.124 para. (6) of the Tax Code - removal from the customs territory of the products resulting from processing, in case of payment of excise duties on the introduction of foreign goods subject to excise duties on the customs territory and their placement under inward processing customs procedure;
- Art.124 para. (9) of the Tax Code:
 - removal from the customs territory of the Republic of Moldova of foreign goods subject to excise duties, previously introduced on the customs territory under import regime;
 - placing under the duty-free shop customs destination until May 1, 2020, the foreign goods subject to excise duties, previously introduced on the customs territory under import regime;
 - placing under the customs clearance free zone of foreign goods subject to excise duties, previously introduced on the customs territory in import regime;
- Art.125 para. (22) of the Tax Code - delivery of goods from tariff positions 271012310, 271012700 and 271019210 for the supply of aircraft;
- Art.125 para. (3) of the Tax Code - the export independently or on the basis of the commission contract of the goods subject to excise duties, the delivery of the goods subject to excise duties processed and / or manufactured on the territory of the Republic of Moldova, subsequently used for processing and / or the manufacture of other excisable goods, in duty-free shops and / or in free economic zones by the warehouse keeper;
- Art.125 para. (32) of the Tax Code - the export of excisable goods, processed and / or manufactured on the territory of the Republic of

²⁰ https://www.legis.md/cautare/getResults?doc_id=125324&lang=ro#

Moldova, carried out by the subject who carries out entrepreneurial activity and who is not registered as a subject of taxation excise duties, independently or on the basis of the commission agreement;

- Art.125 para. (7) of the Tax Code - when purchasing by the economic agents the goods from the tariff positions 270710100, 270720100, 270730100, 270750, 270900100, 271012110–271019290, 290110000, 290124000, 290129000, 29021100–290 290244000, 290290000, 290511000–290513000, 290514, 290516, 290519000, 2909, 381400900, 381700800, used as raw material for the processing and / or manufacture of goods which are not subject to excise duty.

According to the Art.123 para. (6), they are not compulsorily marked with ‘Excise stamp’:

- sparkling and semi-sparkling wines, sparkling wines in bottles of up to 0.25 liters, 1.5 liters, 3 liters and 6 liters;
- alcoholic production containing up to 7% ethyl alcohol by volume and beer;
- goods subject to excise duty placed under customs transit, customs warehousing, temporary admission, duty-free shop;
- goods subject to excise duty, manufactured on the territory of the Republic of Moldova and dispatched by the manufacturer for export;
- goods for which excise duty is not paid or is not to be paid;
- undenatured ethyl alcohol (tariff positions 2207 and 2208) used for medical purposes.

Also, according to the Art.124 of the Tax Code:

(4) Excise duty shall not be paid on the export of excisable goods by the taxable person independently or on the basis of a commission contract, if there are supporting documents established by the Government.

(5) Goods subject to excise duty placed at the destination of the duty-free shop located in the area of entry to the territory of the Republic of Moldova, duty-free shop for the service of the diplomatic corps, after marketing, at the end of the customs destination, shall be placed under the customs import procedure with the collection of import duties.

(6) When introducing foreign goods subject to excise duty into the customs territory and placing them under the inward processing customs procedure, the excise duty shall be paid upon introduction of these goods, with subsequent refund of the paid excise duty amounts upon removal from the customs territory of the products resulting from processing, in the manner established by the Government.

(8) Excise duty shall not be paid on indigenous goods subject to excise duty, previously exported and re-introduced, within 3 years, in the same condition, according to customs regulations.

10. Does Moldova apply special regimes for certain producers, such as farmers, small producers, small breweries, fishermen, etc.?

There are no special regimes.

11. Does Moldova allow Direct Delivery as specified in article 17(2) of Directive 2008/118/EC?

With reference to excise duties, in accordance with the timetable set out in the Association Agreement between the Republic of Moldova, of the one part, and the European Union and the European Atomic Energy Community, and their Member States, of the other part, of 27.06.2014, has been harmonized only Article 1 of that Directive. Other provisions of the Directive will be made upon the accession of the Republic of Moldova to the EU.

Goods delivered between places that are part of a fiscal warehouse are not taxed with excise duties, given the fact that the generating fact is conditioned by the removal from the fiscal warehouse.

12. Rules governing administration and records, including authorizations (for the production, import and storage of excise goods), guarantees, registration, invoices.

Registration of the taxable persons, issuance of the Certificate of authorized warehousekeeper (Art.126 of the Tax Code)

(1) Legal entities and natural persons intending to engage in or are engaged in the processing and/or production of excisable goods are required to obtain an excise certificate of the type established by the State Tax Service, prior to the beginning of the specified activities.

(2) The application for the excise certificate (set by the Ministry of Finance), submitted to the State Tax Service by the economic agent shall include:

a) the name, first name and surname, legal address (addresses) and the Tax Identification Number(s);

b) the owner of the building, premises, territory, land;

c) the name, first name and surnames, legal address (addresses) and the Tax Identification Number(s) of the lessee or the lessor, if the property is used for carrying out entrepreneurial activity on the basis of the lease or rental contract;

d) the concrete forms and methods of control, the use of which ensures the excisable goods integrity, including during their dispatch from one fiscal

warehouse to another of one and the same economic agent, if these warehouses are located on different territories.

(3) The location scheme (plan) of the administrative building, production section, warehouse, other premises located on the territory of the economic agent, within the limits established for carrying out the entrepreneurial activity, shall be attached to the application.

(4) If the application contains verifiable information, the State Tax Service shall issue to the applicant the excise certificate and its annex, including the scheme (plan) indicated in para. (3) of this Article. The specified person becomes an authorized warehouse keeper.

(5) The State Tax Service may refuse to issue the excise certificate, if it considers that the control over the economic agent activity or the fiscal warehouse cannot be performed, or the forms and methods of control referred to in para. (2) letter d) of this Article do not ensure the integrity of the excisable goods.

(6) In case several economic agents use the same fiscal warehouse for processing and/or production of excisable goods, the State Tax Service is obliged to independently determine the authorized warehouse keeper(s) responsible for the payment of the excise duty, as provided by this service.

(7) The authorized warehouse keeper, who intends to make some changes that must be reflected in the excise certificate or the annex to it, is required to submit the appropriate application to the State Tax Service.

Evidence of goods subject to excise duty being shipped (transported). Payment of excise duties declaration (Art.127 of the Tax Code)

(1) The authorized warehouse keeper is required to keep the dispatched (transported) excisable goods register for each fiscal warehouse. The register form and the information to be included herein are set by the Ministry of Finance. The records in the register are made before the excisable goods dispatch (transport) from the fiscal warehouse.

(2) The register of the goods dispatched (transported) must be kept in a certain place, accessible for verification by the authorized officials of the State Tax Service, and be provided to them upon request.

(3) The authorized warehouse keepers referred in Article 120 letter (a) shall be required to submit a declaration on excise duty payment by the 25th day of the month following the month in which the excisable goods have been dispatched (transported). The declaration form and the procedure for filling it shall be established by the Ministry of Finance.

(3¹) The subject carrying out entrepreneurial activity and who is not registered as an authorized warehouse keeper, but who requests the refund of excise duties in

accordance with Art.125 para. (3²), is required to submit the declaration on payment of excise duties until the date of 25th of the month following the month in which the dispatch (transportation) of the excisable goods took place.

(4) The declaration referred to at paras. (3) and (3¹) shall be submitted by using, obligatorily, automated electronic reporting methods, under the conditions stipulated in Art.187 para. (2¹).

13. Assessment and appeals (assessment and collection, procedure for claiming the credit and refund, penalties, appeal procedure, international mutual assistance and recovery of excise claims).

According to Art.126 of the Tax Code, legal entities and natural persons who plan to deal with or who are engaged in the processing and / or manufacture of excisable goods are obliged to receive the excise certificate of the model established by the State Tax Service, before starting the activity in question.

According to Art.126¹ of the Tax Code, in case of completion of the activity of processing and / or manufacturing of excisable goods (except for the disposal of excisable goods in stock), legal entities and natural persons registered as authorized warehouse keepers are obliged to inform about this the State Tax Service. The cancellation of the registration as an excise taxpayer is carried out in the manner established by the State Tax Service.

The State Tax Service is entitled to initiate on its own the procedure for cancellation of the authorized warehouse keeper registration (except in cases of disposal of goods subject to excise duty in stock) if the authorized warehouse keeper has not submitted within the deadline the excise duties returns for the fiscal periods within two consecutive months.

Likewise, according to the legal provisions, the excise duty related to the deliveries of the goods subject to excise duty is declared by the taxpayer or is calculated by the STS during the tax audits performance.

If the taxpayer does not honor his liabilities to pay VAT to the National Public Budget, the STS applies enforcement measures in accordance with art. 193-207 of the Tax Code, as well as insurance measures, including calculating delay increases according to the provisions of Art.228 of the Tax Code.

At the same time, in case the taxpayer does not present the excise returns in the terms provided by the tax liability, it is annulled as a subject, according to Art.126¹ of the Tax Code.

The actions of the STS related to the administration and calculation of the excise duty can be challenged by submitting appeals against the minutes of the tax inspection, as well as against tax authorities' decisions, according to the Tax Code and the Administrative Code.

If the taxpayer does not agree with the STS solution regarding the appeal / prior request, he or she is entitled to file a lawsuit, which involves 3 degrees of jurisdiction.

Concerning international mutual assistance and the VAT / excise duties recovery

International cooperation and mutual assistance in the recovery of claims on excise duties shall be carried out in accordance with the provisions of the Convention on Mutual Administrative Assistance in Tax Matters, adopted in Strasbourg on 25 January 1988 (ratified by Law No.149/2011²¹), Art.4 para.(3) of the Tax Code, the Regulation on the mechanism for applying the provisions of the international treaties of the Republic of Moldova in the field of mutual administrative assistance in tax matters (approved by Government Decision No. 1275/2018²²), the Regulation on the implementation of the provisions of Government Decision no.1275/2018 (approved by STS Order No.164/2019²³) and internal procedures.

The ECO 145181 economic classification code, opened in the state budget, will be used for the accumulation of recovered funds in accordance with the mechanism of application of the provisions of the international treaties of the Republic of Moldova in the field of mutual administrative assistance in tax matters, approved by Government Decision No.1275 and which entered into force on February 18, 2019. In the Official Gazette of May 10, 2012, the Ministry of Finance published Order No.71, by which, on April 25, 2019, the Method of administration and transfer of the recovered tax claims was approved in accordance with the GD indicated above. The indicated mechanism was approved by the Regulation establishing the rules and procedures according to which our country offers / receives mutual administrative assistance in tax matters for the exchange of information and assistance regarding taxes and duties, according to international treaties to which Moldova is a party and targets the income tax of natural and legal persons; VAT and excise duties; state social security contributions; real estate tax; tolls; for natural as well as local resources. The provisions of the Regulation do not affect the application in the Republic of Moldova of the rules on mutual assistance in criminal matters and are without prejudice to the fulfillment of any liability of our country under other legal instruments, including bilateral or multilateral agreements, regarding extended administrative cooperation. According to Order No. 71, the State Tax Service, as revenue administrator, will ensure the exchange of information, their record and monitoring, but also the distribution to the treasury accounts, in the account of tax liabilities extinguishment, of the recovered means. Based on the international treaty, at the requesting state request, the STS will take insurance measures in order to recover the value of a tax, even if the claim is not the object of an instrument that allows its enforcement. In this sense, the tax authority has the right to apply, as an insurance measure, seizure of personal

²¹ https://www.legis.md/cautare/getResults?doc_id=8842&lang=ro

²² https://www.legis.md/cautare/getResults?doc_id=112042&lang=ro

²³ https://www.legis.md/cautare/getResults?doc_id=121710&lang=ro

property or other legal insurance measures regulated by the legislation of our country.

14. Control procedures (in particular, what use is made of tax stamps and other fiscal markings, including fiscal markings for mineral oils).

According to Art.123 paras.(5) and (5¹) of the Tax Code, Goods subject to excise duty, bottled for final consumption, such as vodka, liqueurs and other alcoholic beverages, vermouths and other fresh grape wines, other fermented beverages from the tariff positions 2205 and 220600, divines, and Tobacco products and tobacco substitutes (non-tobacco mixtures based on tea leaf) under tariff position 24039990001, traded, transported or stored on the territory of the Republic of Moldova or imported for sale on its territory, as well as goods purchased from resident economic agents that are located on the territory of the Republic of Moldova, but don't have tax relations with its budgetary system, are subject to mandatory marking with "Excise stamp". Marking is carried out during the manufacture of goods subject to excise duties or until their import, and in the case of goods manufactured on the territory of the Republic of Moldova - until the moment of their dispatch (transportation) from the fiscal warehouse.

In accordance with Art.4 para. (5¹) of the Law No.1054/2000 for the implementation of Title IV of the Tax Code, the alcoholic and tobacco products provided for in Annex no.1 to Title IV of the Tax Code, are subject to the stamp of consumption, with the exception of the goods provided for in Article 123 paragraph (6) letters a), b) and e), introduced in the territory of the Republic of Moldova and intended to be consumed on the territory not controlled by the constitutional authorities. The procurement, use and application of consumer stamps is similar to excise stamps. The design of the 'Consumer Stamp' mark is established by the Ministry of Finance.

15. What specific measures are taken to tackle illicit international trade in excisable goods (e.g. cigarettes)?

In order to identify the origin of tobacco products, as well as to monitor and control the movement of tobacco products, Art.20 of Law No.278/2007²⁴ on tobacco control establishes the obligation to mark all unit packets of tobacco products by indicating the serial number of the lot or its equivalent, thus ensuring the possibility of identifying the place and date of manufacture, as well as by specifying the name of the country in whose territory the tobacco product is to be marketed.

Also, to tackle illicit international trade in excisable goods, by Law no.61/2022, the Republic of Moldova acceded to the Protocol on Elimination illicit trade in

²⁴ https://www.legis.md/cautare/getResults?doc_id=128322&lang=ro#

tobacco products under the Framework Convention World Health Organization on tobacco control.

According to Article 6 paragraph (2) of the Law no. 283/2011 on Border Police, Border Police carries out actions to prevent, detect and counteract illicit trafficking and smuggling of goods, valuables and other goods.

In order to ensure that the tasks of preventing and combating cross-border crime including smuggling are carried out, the Border Police undertakes a series of actions, including:

- Elaborates analyses, situational pictures and studies on risks that may threaten border security;
- On the basis of analysis and operational information, identifies border areas with high risk of being used for smuggling of various goods, with the aim of strengthening the forces and means to counter criminal actions in these areas;
- Carries out, within its area of competence (border area), checks on means of transport, goods transported and accompanying documents, with the exception of border crossing points, where these activities are handled by the Customs Service;
- Approves, within the limits of its competence, administrative regulations (orders/) on procedures regarding border surveillance, border control and special investigation activities to prevent, detect and counter smuggling.
- Within the limits set by law, carries out criminal prosecution, detects and examines contraventions, undertakes forensic expertise and carries out special investigative measures.

Based on inter-institutional cooperation agreements, the Border Police organizes special operations in combating smuggling of goods, valuables and other goods. At the same time, the Border Police participates jointly with other interested national authorities in planned as well as ad hoc special operations coordinated by the European Border and Coast Guard Agency (FRONTEX) and the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM).

16. Does the legislation of Moldova provide for transitional and temporary excise duty measures?

Excise duty taxation of the manufacturer on raw material used to produce non-excise goods.

17. What specific measures are applied to control and tax home-produced / for own consumption alcoholic beverages?

In accordance with Art.124 para. (19) of the Tax Code, beer, wine under the tariff position 2205 and fermented beverages produced by the natural person who does not carry out entrepreneurial activity and are consumed by this and his/her family members, shall be exempt from excise duty, provided these are not to be sold.

18. Does the country fully accord national treatment to EU goods in accordance with Article III of GATT as foreseen in article 31 of the DCFTA?

According to Art.152 of the Association Agreement between the Republic of Moldova, and the European Union, national treatment shall be granted to the goods of the other Party in accordance with Article III of the General Agreement on Tariffs and Trade, including its interpretative notes.

Also, according to the national tax legislation, the EU goods are applied according to Art.120 and 121 of the Tax Code (see point C. Excise duties: Excise duties).

19. What are the targets for future developments in the country's excise legislation (short/long term)?

Harmonization of national tax legislation, in the field of excise duties, to the provisions of European Union legislation, in accordance with the timetable set out in the Association Agreement between the Republic of Moldova, on the one hand, and the European Union and the European Atomic Energy Community and Member States of theirs, on the other hand, from 27 June 2014.

20. Does the legislation allow for a deferral of the taxation of capital gains until their actual realization (i.e. until disposal of the assets to which they relate) in cases of mergers, divisions, transfers of assets and exchange of shares involving companies established in the country?

Starting with January 1, 2020 (amendments operated by Law no.122/2019²⁵), legal entities do not have the obligation to determine the increase / loss of capital when disposing of capital assets.

Respectively, for corporations (legal entities) income derived from the sale, exchange or from other types of the alienation of assets (in cases of mergers, divisions, etc.) must be included in the gross income and the tax result has to be determined at the end of the fiscal period.

²⁵ https://www.legis.md/cautare/getResults?doc_id=116945&lang=ro

The rules on reorganisation/liquidation are set out in point 23.

21. What are the essential features of Moldova's regime for the taxation of the disposal of fixed (long-term) assets of corporations?

According to the national legislation, long-term fixed assets are taxed through depreciation. The fixed assets on which depreciation is calculated are the tangible property reflected in the taxpayer's balance sheet in accordance with the legislation, and which is intended to be used in entrepreneurial activity, the value of which is presumed to depreciate as a result of physical and moral depreciation and the operating period of which is longer than one year, and its value exceeds the amount of 6 000 MDL (cca. EUR 300) (Art.26¹ para. (2) of Tax Code²⁶).

Depreciation of fixed assets is calculated starting with the following month to which the fixed asset is put into service using the linear depreciation method (Art.26¹ para. (6) of Tax Code).

Records and depreciation calculation of the fixed assets for tax purposes shall be made in accordance with the Regulation approved by the Government Decision no.704/2019²⁷.

In this regard, the tax regime of the disposal of fixed assets of corporations is determined by points 31-37 of the Regulation (see below).

The disposal of fixed assets from the entity can take place through:

- sale;
- donation;
- exchange;
- forced exit;
- scrapping before the expiration of the useful life;
- other outputs.

At the disposal of fixed assets from the entity, in order to determine the tax result, the non-depreciated value for tax purposes is calculated as the difference between the input value / capitalized input value and the amount of depreciation calculated for tax purposes until (including the month) the disposal of the fixed asset from entity.

The tax result in case of disposal of fixed assets through *sale* is determined as the difference between the income obtained from sale and the non-depreciated value for tax purposes of the fixed asset.

²⁶ https://www.legis.md/cautare/getResults?doc_id=79111&lang=ro

²⁷ https://www.legis.md/cautare/getResults?doc_id=119735&lang=ro

In case of disposal of fixed assets through *donation*, the tax result is determined as follows:

- if at the time of donation, the market value of the fixed asset is higher than the non-depreciated value for tax purposes, the tax result is determined as the difference between the market value at the time of donation and the non-depreciated value for tax purposes;
- if the non-depreciated value for tax purposes is higher than the market value at the time of donation, the tax result is zero.

In case of disposal of fixed assets by *exchange*, the tax result is determined as the difference between the contractual value of the fixed asset received, adjusted by the amount of additional receivables or payable under the contract and the non-depreciated value for tax purposes of the fixed asset transmitted.

In case of forced exit and scrapping of fixed assets before the expiration of the useful life, it is not allowed to deduct the non-depreciated value for tax purposes. If, as a result of the forced loss of the fixed asset, the amounts and indemnities of insurance received on the basis of insurance and co-insurance contracts constitute, pursuant to art.18 letter i) of the Tax Code no.1163/1997, sources of taxable income, the value of non-depreciated for tax purposes is allowed for deduction within the limit of taxable income.

In the case of the contribution with fixed assets in the share capital, the tax result is determined as the difference between the value of the share obtained and the value not depreciated for tax purposes of the fixed asset.

a) What kind of exceptions/exemptions does Moldova apply to the taxation of capital gains of corporations?

Starting with January 1, 2020 (amendments operated by Law no.122/2019), legal entities are not obliged to determine the increase / loss of capital when disposing of capital assets.

b) Do the same rules apply within a trade or business of an individual? If not, what are the rules for individuals?

According to Art.37 of the Tax Code, taxation of capital gains is applied for natural persons - resident and non-resident taxpayers of the Republic of Moldova who do not engage in entrepreneurial activity and who sell, exchange or otherwise alienate capital assets.

According to Chapter 5 Title II of Tax Code (Art.37-Art.43), capital gains or losses amount from the sale, exchange or other alienation form of capital assets is equal to the difference between the received amount (received income) and the value base of these assets.

Amount received as a result of the sale, exchange or alienation in other manner of the capital assets is equal to the money means amount and/or the value of the capital assets calculated at the market price received in a non-monetary form.

Amount of the capital gain or loss arising from the stock exchange trading through a broker/investment company shall be determined on the basis of the broker/investment company's report, according to the manner established by the Ministry of Finance.

The person making a donation shall be deemed to have sold the donated asset at a price representing the maximum size of its adjusted value base or its market price at the time of donation.

Capital gain or loss shall not be recognized for tax purposes in the case of the conclusion of a donation contract between relatives of first degree and between spouses.

The capital gain amount in the tax period shall be equal to 50% of the amount exceeding the recognized capital gain above the level of any capital loss incurred during the tax period.

c) What are the applicable rules for individuals in the framework of their portfolio management?

National tax legislation does not provide special rules for individuals in the framework of their portfolio management. The only point that must be respected is the obligation of capital gains' determination in case of sale or exchange of assets/shares.

22. What are the rules in case of cross-border transfer of assets within the same company? Does the legislation provide for the taxation of deemed capital gains on the assets transferred within the same company? What are the rules in case a company transfers its tax residence to another country? Does the legislation provide for the taxation of deemed capital gains on the assets of that company?

The Tax Code does not contain special rules on the cross-border transfer of assets, as well as the transfer of the tax residence to another country.

23. Does Moldova apply a special tax regime for business reorganizations?

a) What are the reorganizations covered?

According to the provisions of Art.58 paras. (1) – (21) of the Tax Code, reorganization of the economic agent is considered the fusion (merger and absorption), dismemberment (division and separation), or transformation of the economic agent.

For the purposes of Title II of Tax Code, reorganization can also entail:

- obtaining control over an economic agent only in exchange for the shares that grant the decisive voting right within the purchased economic agent;
- the purchase of nearly all assets of an economic agent only in exchange for the shares that grant the decisive voting right within the purchased economic agent.

For the purpose of Chapter 8 of Title II of Tax Code, by control is meant the holding in the capital of the economic agent a participation share, which includes:

- at least 80% of the decisive voting rights of all the forms of participation with decisive voting rights;
- at least 80% of the total number of shares in case of any other form of participation.

b) How does this special tax regime work?

According to the provisions of Art.58 paras. (3) – (3¹) of the Tax Code, in the case of reorganization, the acquiring economic agent shall succeed the accounting method of the acquired economic agent, together with its stocks of goods and materials, losses carried-over, dividend accounts and other items related to taxation in such a manner that the acquiring economic agent takes the place of the acquired economic agent with respect to such items.

If, as a result of the reorganization, the fixed assets are transferred from the economic agent undergoing reorganization to another reorganizing economic agent, the value basis of these fixed assets at the date of transmission (exit / entry value) will represent their exit/entry value represents the value not depreciated for tax purposes of the fixed assets transferred directly before the reorganization.

Also, the rules applicable in case of the economic agent's liquidation or reorganization are provided in Article 59 paras (1) – (4) of the Tax Code.

In the case of the economic agent's liquidation or reorganization:

- a series of related transactions shall be treated as a single transaction;
- the operations' form shall be irrelevant in cases where it does not affect the essence of these operations;
- any reorganization of the economic agent is considered the sale of this economic agent and of all its assets;
- if the State Tax Service establishes that one or more parties participating in the operation are not residents, then the capital increase, liquidation or reorganization of the economic agent can be treated as an operation in which there is no recognition of the capital increase or loss.

In the case of the reorganization:

- the exit value of the reorganized economic agent property is considered the value not depreciated for tax purposes of this property immediately before the reorganization;
- the redistribution (transmission) of the economic agent's property between the parties involved in the reorganization is not taxed; but
- any compensation, received by any person (including any party involved in the reorganization), which does not constitute a participation share in the capital of any party shall be considered payment for the beneficiary's use.

Party involved in the reorganization is:

- the purchasing economic agent - the agent that procures participation shares (or assets) in another economic agent;
- the purchased economic agent - the agent whose participation shares (or assets) are purchased;
- any economic agent that appears as a result of the reorganization;
- the economic agent participation shares (or assets) in which they were purchased from another economic agent within the reorganization.

In case of distribution the participation shares in the capital of the party involved in the liquidation process or in the reorganization of some shareholders (associates) of this party, the respective payment is not taxed.

c) Does this tax regime apply in cross-border situation? If yes, under which conditions?

The national tax legislation does not provide a separate tax regime in cross-border situation.

24. Please provide information on the taxation of the raising of capital by companies.

According to Art.55 para. (1), (3) of the Tax Code, contributions with assets to the capital of the economic agent in exchange for the participation share in its capital shall not be subject to taxation.

The additional contributions of the founders, associates, shareholders or members of the entity, made as an input to cover losses incurred during previous reporting periods, shall not be subject to taxation.

25. Does the legislation contain a definition of tax residence for individuals and companies? Please explain and provide an overview of relevant legislative provisions.

National tax legislation operates with the following definitions (Art.5 para. (5), (6), (15), (15¹) of Tax Code:

(5) Resident is:

a) any natural person that meets one of the following requirements:

i) has permanent domicile in the Republic of Moldova, including:

- being on treatment, vacation or for education purpose, or on a business trip abroad;
- being an official of the Republic of Moldova performing official duties abroad;

ii) stays in the Republic of Moldova at least 183 days during the fiscal year;

b) any legal person or organizational form having the status of a natural person, whose activity is organized or managed in the Republic of Moldova or whose main place of carrying out the activity is in the Republic of Moldova;

(6) Non-resident person is:

a) any natural person that is not resident pursuant to para. 5) letter a) or, though meets the requirements of para. 5) letter a), stays in the Republic of Moldova:

- as a person with diplomatic or consular status or as a member of the family of such person;
- as an official of an international organization, established on the basis of the international treaty to which the Republic of Moldova is a party to, or as a member of such an official's family;
- for treatment, vacation, or education purposes, or on a business trip, provided that this natural person was present in the Republic of Moldova for these purposes exclusively;
- exclusively for purposes of passing from one foreign state to another via the territory of the Republic of Moldova (transit pass);

b) any legal person or organizational form with the status of natural person that does not meet the requirements of para. 5) letter b).

(15) Permanent establishment is a constant business place through which the non-resident person carries out fully or partially entrepreneurial activities in the Republic of Moldova, either directly or via a dependent agent, including:

a) a management office, branch office, representative office, subsidiary, section, office, factory, plant, shop, workshop, as well as mine, oil or gas well, quarry or any other place of extraction of the natural resources or of agricultural crops growth;

b) a construction site, a project of construction, assembly or montage or activities related to technical supervision, service and operation of relevant machinery only if such a site, project or activities last for a period of more than 6 months;

c) sale of goods from warehouses located on the territory of the Republic of Moldova, belonging to or rented by the non-resident person;

d) providing other services, carrying out other activities for more than 3 months, except for those covered in para. 15¹), as well as the work carried out under the employment contract (agreement) and independent professional activity, unless this Code provides otherwise;

e) carrying out any activity in the Republic of Moldova that meets one of the conditions stated from a) to d) by an agent with dependent status or when an agent maintains a stock of goods or commodities in the Republic of Moldova, delivered on behalf of a non-resident.

(15¹) As exempt from the provisions of para. 15), permanent representation does not imply carrying out by the non-resident person in the Republic of Moldova of preparatory, auxiliary or other activities in the absence of permanent establishment criteria, stated at para. 15). In the case of activities of a preparatory, auxiliary or other nature, in particular, the following shall be assigned:

a) use of installations, exclusively for storing or display of goods or commodities, belonging to the non-resident person;

b) maintenance of a stock of goods or commodities, belonging to the nonresident person, exclusively for storing or display;

c) maintenance of a stock of goods or commodities, belonging to the nonresident person, exclusively for processing aim by another person;

d) maintenance of a business constant place, exclusively for the purpose of commodities purchasing by the non-resident person;

e) maintenance of a business constant place, exclusively for collection and/or dissemination of information, marketing, advertising or goods (service) market research, performed by the non-resident person if such an activity is not representing the core (regular) business of the non-resident person;

f) maintenance of a business constant place for the purpose of signing contracts by an individual on the non-resident person's behalf, if contracts are signed in compliance with the detailed written guidelines of the non-resident person;

g) carrying out of the activity stated at para. 15) letter b), that does not exceed 6 months.

26. Please explain the taxation of non-residents on source income from Moldova, stressing any differences with the taxation of residents, for what concerns:

a) Taxable base

b) Deduction of expenses

c) Exemptions

d) Tax rate

e) Tax incentives

f) Specific regime for permanent establishments, if any.

Non-resident tax rules are provided by Art.70-793 of the Tax Code.

According to provisions of Art.70, para. (1) the entire income of the non-resident taxpayer shall be divided into:

- a) the income received in the Republic of Moldova from the entrepreneurial activity or from work by employment contract (agreement);
- b) the income received outside the Republic of Moldova from entrepreneurial activity or from work by employment contract (agreement).

Unless this Chapter 11 of Title II specifies otherwise, when determining the non-residents taxable income:

- a) it shall be taken into account only the income received in the Republic of Moldova;
- b) it shall be allowed the deduction only of those expenses, which are directly related to the income mentioned at letter a), subject to taxation in the Republic of Moldova.

Art.71 of the Tax Code specifies the types of non-residents' income received in the Republic of Moldova, as follows:

- a) income from the sale of goods;
- b) income from the delivery of services, including management, financial, consulting, audit, marketing, legal, intermediary, information services provided to a resident or non-resident, having a permanent residence in the Republic of Moldova, if such incomes are expenses of permanent establishment;
- c) incomes, in the form of capital gain, received by the non-resident natural persons that are not carrying out entrepreneurial activity on the territory of the Republic of Moldova, determined in accordance with Art. 39-41 (Capital gains and loss);
- d) incomes obtained by the non-resident legal entities, in the form of capital increase, determined according to Art. 40 para. (1) - (4), from the sale, exchange or from another form of alienation of the capital assets specified at Art. 39 para. (1);

In the case of resident legal entities of the Republic of Moldova the capital gain is not determined.

- e) dividends, including those paid as stocks or shares by a resident economic agent;
- f) interest on the State's claims or of a resident or non-resident, having a permanent establishment in the Republic of Moldova, if such interests are expenses of permanent establishment;

- g) income received from the debt rights assignment to a resident or non-resident, having a permanent establishment in the Republic of Moldova, if such incomes are expenses of the permanent establishment;
- h) penalty for non-compliance or inadequate compliance of the liabilities by any person, including, based on works contracts (services providing) and/or in accordance with contracts on foreign trade of goods delivery;
- i) incomes in the form of fees, received from a resident or non-resident, having a permanent establishment in the Republic of Moldova, if such incomes are expenses of this permanent establishment;
- j) royalty received from a resident or non-resident, having a permanent establishment in the Republic of Moldova, if such royalty are expenses of permanent establishment;
- k) incomes resulting from the leasing operations, rent or sub-rent, lease or usufruct of the property situated in the Republic of Moldova;
- k¹) incomes resulting from the leasing operations, rent or sub-rent, lease or usufruct of the ships, aircrafts and/or rail or road transportation means, as well as containers;
- l) income resulting from the premiums based on insurance or reinsurance contracts;
- m) incomes from the international maritime, air, rail or road transportation, except the cases, when transportation is made only between the destination points outside the Republic of Moldova;
- n) incomes from the activity carried out in accordance with the employment contract (agreement) or other contracts with civil character, including fees of directors, shareholders or members of the Board of Directors and/or other payments received by the members of the management bodies of the resident legal entity, irrelevant of the place of the effective execution of the administrative liabilities entrusted to these persons;
- o) incomes in the form of benefits, specified at Article 19 (Benefits provided by the employer), provided by the employer (beneficiary) to the non-resident natural persons;
- p) annuities paid by the non-state resident pension funds;
- q) incomes obtained by the people of art, such as theatre, circus, cinema, radio, television, musicians, plastic artists or sportsmen, regardless of the fact to whom the payments related to this income are done;
- r) incomes received as a result of providing professional services and services other than those referred to letter q);

- s) income from prizes obtained during competitions;
- t) commissions from a resident or non-resident, having a permanent establishment in the Republic of Moldova, if such commissions are expenses of permanent establishment;
- t¹) gains from gambling and promotional campaigns;
- u) other incomes, not specified at the preceding letters, provided that these are not exempt from taxation in accordance with the tax legislation or other legislative acts.

As regards the application of exemptions and deductions by non-residents in comparison with residents of the Republic of Moldova, it should be noted that non-residents do not benefit from exemptions and are not entitled to deductions for tax purposes for expenses incurred. Non-residents also do not benefit from tax incentives.

(2) Notwithstanding the provisions of para. (1), the non-residents' incomes, except those having a permanent establishment in the Republic of Moldova, from the international air transport obtained from regular flights shall not be considered as incomes received in the Republic of Moldova.

Tax rates applied to the non-residents are specified in Art.91 of the Tax Code:

- 12% - of the payments directed for payment to the non-resident related to the incomes from Art.71, except for those specified in the second, third and fourth indents of this paragraph;
- 6% for dividends including those paid as stocks or shares by a resident economic agent;
- 15% of dividends, including in the form of stocks or shares related to the undistributed profit obtained in the tax periods 2008-2011 inclusive;
- 15% from the amount withdrawn from the share capital related to the increase of the share capital from the distribution of the net profit and/or other sources found in the equity between the shareholders (associates) during the tax periods 2010-2011 inclusively, in accordance with the participation share deposited in 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;
- income earned as salary.

The difference between the tax rates set for non-residents and the rates set for residents is observed for the following types of income:

1) Interest:

Residents - 3% on interest paid to resident individuals by banks, savings and loan associations and issuers of corporate securities (Art. 90¹(7) of the Tax Code) and 12% on interest paid to individuals by businesses (Article 89 of the Tax Code).

Non-residents - 12% on all types of interest.

2) Winnings from gambling and promotional campaigns:

Residents - 18% on winnings from gambling, except winnings from lotteries and/or sports betting in the part in which the value of each win does not exceed 1% of the personal exemption established in Art.33 para.(1) and 12% on winnings from promotional campaigns in the part in which the value of each win exceeds the size of the personal exemption established in Art.33 para.(1) of the Tax Code.

Non-residents - 12% on the full amount of the winnings obtained.

Rules of taxation of non-residents that carry out activity in the Republic of Moldova through a permanent establishment are provided in Art.75 of the Tax Code:

Incomes of the non-residents that perform activity through a permanent establishment in the Republic of Moldova are considered the incomes specified in Art. 71 letters a) - m), r), t) and u).

In the case of non-residents that have a permanent establishment in accordance with Art.5 para. 15), they are considered, for tax purposes, as a resident economic agent, but only in relation to the income received in the Republic of Moldova under para. (1) and in accordance with:

a) administrative expenses, in accordance with the provisions of the National Accounting Standards or of the IFRS, borne by non-residents and registered by the permanent establishment, which are deductible up to 10% of the calculated salary of the employees of this permanent establishment.

b) expenditures related directly to this income, confirmed documentary, in accordance with the provisions of Title II of the Tax Code.

The record of non-residents that have a permanent establishment, as a taxpayer, shall be done in accordance with Chapter 4 of Title V of the Tax Code.

Non-residents permanent establishment, situated in the Republic of Moldova, does not have the right to deduct the amounts submitted by this non-resident in the form of:

a) royalty, fees and other similar payments for the use or concession of property or results of their intellectual activity;

b) payments for services rendered by them;

- c) interests and other remunerations for loans provided by this;
- d) expenses that are not related to obtaining income from the activity carried out in the Republic of Moldova;
- e) expenses that are not documentary confirmed.

Notwithstanding the provisions of this Article, the work in accordance with the employment contract (agreement) or other contract with civil character, carried out by the non-resident natural persons, does not lead to the formation of a permanent establishment of these natural persons.

27. Does the legislation allow for levying withholding taxes on payments (dividend, interest, royalties or rent etc.) to other legal entities (natural persons or corporations) residing in and/or outside Moldova?

Withholding taxes on payments to resident individuals

Preliminary withholding of payments made for the benefit of resident individuals is regulated by Art.90 of the Tax Code, according to which resident legal entities making payments to individuals (other than salary payments) must withhold 12% from payments made for the benefit of resident individuals, unless such payments are tax exempt.

Final withholding from payments made to residents are regulated by Article 90¹ of the Tax Code:

- 12% final withholding of an individual's income derived from leasing, rent, and usufruct of movable and immovable property.
- 6% final withholding of dividends paid out to individuals, except for dividends for the profits received between 2008 and 2011, for which the WHT rate is 15%.
- 15% from the amount withdrawn from the share capital related to the increase from the distribution of net profit and/or other sources identified as equity among shareholders (associates) throughout the 2010 to 2011 fiscal period, in accordance with the share capital venture quota.
- 6% from payments performed for the benefit of individuals, other than individual entrepreneurs and farmers, on income obtained from supplying phytotechnical, horticultural, and zootechnical products, except natural milk.
- 12% from payments performed for the benefit of individuals, other than individual entrepreneurs and farmers, on income obtained from supplying goods through consignments trade units.
- 12% from winnings from promotional campaigns on each win value exceeding the personal annual allowance of MDL 27,000. Earnings from

promotional campaigns are considered non-taxable in the amount of each earning that does not exceed the personal annual allowance.

- 18% from gambling winnings.
- 18% from earnings from lottery and sport betting on each win value exceeding 1% of the personal allowance. Earnings from lottery and sport betting are considered non-taxable in the amount of each earning that does not exceed 1% of the personal allowance.
- 12% from royalty payments (except royalty income of individuals aged 60 and over in the field of literature and art).
- 6% from the amount of money donated by legal entities to individuals who do not perform business activity.
- 3% from the amount of interest paid to resident individuals by banks, savings and loan associations, as well as issuers of corporate securities.

Withholding taxes on payments to non-residents

The following WHT rates apply upon payments to non-residents (Art.91 of Tax Code):

- 6% for dividend payouts, except for dividends for the profits received between 2008 and 2011, for which the WHT rate is 15%.
- 15% from the amount withdrawn from the share capital related to the increase from the distribution of net profit and/or other sources identified as equity among shareholders (associates) throughout the 2010 to 2011 fiscal period, in accordance with the share capital venture quota.
- 12% for other revenues.

a) What are the main features of the taxation regime on income from capital (personal and corporate)?

Taxation regime on income from capital gain is mentioned in points 20-21 of the Chapter 16 of the Questionnaire.

b) Are there withholding taxes on income from capital (interest on bank deposits, debt instruments)? Please indicate tax base, tax rates, exemptions, fiscal treatment of residents (on domestic and foreign income) and non-residents, automatic reporting etc.

According to Art. 90¹ para.(3⁷) of the Tax Code, banks, savings and loan associations, as well as issuers of corporate securities withhold a 3% tax on interest paid to resident individuals.

According to Art. 91 para.(1) bullet one of the Tax Code No. 1163/1997, a tax of 12% is withheld from interest paid to non-residents.

According to Art. 89 of the Tax Code, every payer, referred to in Article 90, of interest paid to natural persons, with the exception of interest paid to sole proprietors and peasant (farmer) households, is obliged to withhold from each interest payment and to pay as part of the tax an amount equal to 12% of the payment.

c) Are turnover taxes or stamp duties applied to securities, credit contracts, insurance contracts, etc.?

The national tax legislation does not provide regulations related to the turnover taxes or stamp duties applied to securities, credit contracts, insurance contracts.

d) What treatment applies to dividends distributed by foreign companies to companies that are resident in Moldova? What mechanisms apply to avoid double taxation on dividends?

In order to avoid double taxation, the Republic of Moldova applies the provisions of international treaties to which the Republic of Moldova is a party.

If there is no international treaty with the state from which the dividends are paid, dividends received by resident legal entities from non-resident legal entities are taxed in the general manner at the rate provided for in Article 15 letter (b) of the Tax Code (12%).

28. How is foreign income, received by resident taxpayers, treated? What kind of system does Moldova apply to prevent double taxation?

According to Art.14 of the Tax Code, the object of taxation includes:

a) the income from any sources located in the Republic of Moldova, as well as from any sources located outside the Republic of Moldova, except for deductions and exemptions allowable to them, received by legal entities and individual residents of the Republic of Moldova who carry out an entrepreneurial activity, by persons who are performing professional activity, as well as by persons practicing professional activity in the justice and health sector;

b) income from any sources located in the Republic of Moldova, including facilities provided by the employer, as well as from any sources outside the Republic of Moldova for the activity in the Republic of Moldova, except for deductions and exemptions to which they are entitled, obtained by natural persons, which are residents of the Republic of Moldova who does not carry out entrepreneurial activity;

b¹) the income from any sources located in the Republic of Moldova and from any sources located outside the Republic of Moldova for the activity in the Republic of Moldova received by individual residents carrying out independent activities;

c) the investment and financial income from any sources located outside the Republic of Moldova received by resident individuals, citizens of the Republic of Moldova who do not carry out entrepreneurial activity;

d) income from any sources located in the Republic of Moldova and from any sources located outside the Republic of Moldova for activity in the Republic of Moldova except for the investment and financial income from any sources located outside the Republic of Moldova, obtained by resident natural persons foreign and stateless citizens carrying out activity on the territory of the Republic of Moldova;

e) the income received in the Republic of Moldova by non-resident individuals who do not carry out an entrepreneurial activity on the territory of the Republic of Moldova.

In order to prevent double taxation, Republic of Moldova signed 50 Double Tax Avoidance Treaties.

Also, in accordance with Art.82 of Tax Code, the taxpayer has the right to deduct income tax paid in any foreign state, if this income is to be subject to taxation in the Republic of Moldova. Deduction of income tax can be made, should the taxpayer submit a document justifying the payment (withholding) of the income tax outside the Republic of Moldova, certified by the competent authority of the respective foreign state, with its translation into the Romanian language, except for the one issued in English or Russian.

The amount of deduction, for any fiscal year, shall not exceed the amount that would have been calculated at the rates applied in the Republic of Moldova with regard to this income.

Deduction of the tax paid in another state shall be made in the tax period in which the respective income is subject to taxation in the republic of Moldova.

According to the tax legislation, if an international treaty regulating taxation or includes norms governing taxation, to which the Republic of Moldova is a party, stipulates other rules and provisions than those provided by tax legislation, the rules and provisions of the international treaty shall apply.

29. Which is the general policy on transfer pricing? Does the legislation contain any specific rules in transfer pricing? Please explain and provide an overview of relevant legislative provisions.

The tax legislation does not contain transfer pricing provisions and the implementation of the Transfer Pricing Guide for financial transactions has not yet been initiated.

At the same time, the Tax Code contains rules on the limitation of deductions related to transactions between interdependent persons, as follows (Art.24 and Art.44 of the Tax Code):

- it is not permitted to deduct compensation, remuneration, interest, payment for rent and other expenses incurred in the interest of a family member of the taxpayer, a person in charge or a manager of an economic agent, a member of the company or another interdependent person, if there is no justification for the payment of such an amount;
- it is not permitted to deduct losses from the sale or exchange of property, the performance of works and the provision of services, performed, directly or indirectly, between interdependent persons. For the purposes of this paragraph, the loss is the difference between the annual amount of the cost of sales and the annual amount of sales revenue, recorded in the accounts for the entire tax period, in relation to an interdependent person. The provisions of the nominated paragraph shall not apply to relations between members of the same cooperative or group of agricultural producers, as well as to relations between the cooperative or group of agricultural producers and its members;
- the taxpayer who uses accrual accounting is not entitled to make any deductions until the time of payment is made if he has obligations to an interdependent person who uses cash accounting.

30. Does the legislation contain any specific rules in thin capitalization and Controlled Foreign Corporations? Please explain.

The national tax legislation does not provide any specific rules in thin capitalization and Controlled Foreign Corporations.

31. Does the legislation contain a general anti-abuse rule?

The national tax legislation does not contain a general anti-abuse rule.

32. Does the legislation contain any specific rules on mismatches between Moldova and another state?

According to the Art.4 para. (1) of the Tax Code, if an international treaty regulating taxation or includes norms governing taxation, to which the Republic of Moldova is a party, stipulates other rules and provisions than those provided by tax legislation, the rules and provisions of the international treaty shall apply.

33. Please describe the procedures for payment of personal income tax and calculation methods used. How is control carried out?

Moldovan residents (both Moldovan citizens and foreigners) are subject to taxation for their income received during the fiscal period from any sources within the Republic of Moldova, as well as from sources outside the country for their work activity effectively performed in the Republic of Moldova (except income that is expressly tax exempt under the Moldovan law).

A standard tax rate of 12 percent is applied to salaries. It is combined with a basic personal allowance, as well as with major personal allowance and dependents allowances.

Moldovan residents are liable to annual allowances. For 2022, allowances are set in the following amounts:

- Personal allowance - 27,000 MDL
- Major personal allowance - 31,500 MDL
- Spouse's major allowance - 19,800 MDL
- Allowances for dependant - 9,000 MDL

This allowance is granted only to Moldovan resident taxpayers whose annual taxable income (with some exceptions) does not exceed 360,000 MDL.

Individuals can opt for this allowance provided certain conditions are fulfilled.

Individuals may opt for this allowance provided the spouse is eligible for major personal allowance and does not use it in the period concerned.

Moldovan resident individuals with dependents with severe disabilities since childhood are entitled to an allowance in the amount of 19,800 MDL.

The current tax rates are:

	Payroll tax	Rates (year 2021)	Tax Base	Tax Base Formula	Remitted to
Employer	Social Security Contribution (SSC)	24%/29%/39%/32%	remuneration fund and other rewards	tax base*rates	art.17 by Law nr.489/1999
Employee	PIT	12%	remuneration fund and other rewards	(tax base - allowances-HIC) * 12%	art.15 Tax Code
	Health Insurance Contribution (HIC)	9%	remuneration fund and other rewards	tax base*rates	art.4 point (1) by Law nr.256/2020

Investment income of natural persons is subject to withholding taxes, with a rate of 6 percent in case of dividends and a rate of 12 percent in case of interest and royalties.

According to Art.82 of the Tax Code, natural persons (citizens of the Republic of Moldova, foreign citizens, stateless persons, including members of companies and shareholders of the investment funds) liable to pay the tax are required to submit

the income tax return (CET18) and legal entities are obliged to present tax return (IPC21) on withholding of income tax, compulsory health insurance premiums and calculated compulsory state social security contributions.

The modalities for paying the tax liability are provided in Art. 171 of the Tax Code, and the manner of making payments to the national public budget is regulated by the Order of the Minister of Finance No. 153/2021²⁸.

Also, the personal income tax can be paid through the Governmental Electronic Payments Service MPay (<https://mpay.gov.md/>) and the electronic service 'Online payment of taxes and fees by individuals-citizens', which can be accessed on the official website of the State Tax Service (www.sfs.md).

The tax control of the liabilities related to the personal income tax is exercised according to general principles of performing a tax control, established in Chapter 11 of Title V of the Tax Code.

During the tax control, the determination of tax liabilities related to the income tax, is carried out in accordance with the provisions of Art. 264 of the Tax Code.

Tax control is initiated in the following cases:

- late submission of the Declaration, with the obligation to pay income tax, unless the individual has submitted the Declaration, in accordance with the provisions of art. 226¹⁵ para. (2³) of the Tax Code;
- presentation of the Declaration with untrue / partially truthful information;
- failure to submit the Declaration;
- income tax refund;
- verification of the tax liability of the taxpayer's spouse, as a result of the verification of the taxpayer's tax liability, etc.

Cameral tax control by the thematic verification method is carried out only on the basis of a Decision to initiate such control.

At the end of the tax control, according to Art. 215 para. (4) of the Tax Code, a tax control act is drawn up in compliance with the provisions of Art. 216 para. (6) of the Tax Code.

If the taxpayer does not agree with the results of the control, he, in accordance with the provisions of Art. 216 para. (8) of the Tax Code, is obliged to present in writing, within 15 calendar days from the date of signing the act (date of receipt by post office/communication through advertising) his disagreement by providing arguments confirming the position of the taxpayer, attaching to the disagreement the respective supporting documents.

²⁸ https://www.legis.md/cautare/getResults?doc_id=129255&lang=ro

The case of tax legislation violation is examined according to the procedure established by Chapter 14 of Title V of the Tax Code.

If the individual has fulfilled his tax liabilities within the term and conditions provided in Art. 234 para. (2) of the Tax Code, STS adopts a decision on the reduction of the fine by 50%.

The measures to ensure the extinction of the tax liability related to the income tax are carried out in accordance with the provisions of the STS Order No. 379/2017 on the approval of the forms regarding the application of measures to ensure the extinction of the tax liability²⁹.

34. Does Moldova apply any preferential tax schemes? If so, please provide a detailed description of these schemes (the main purpose of the scheme, the minimum requirements, the tax benefits, if it is time-limited, the kind of beneficiaries, etc.).

Table. Special tax regime for IT Park residents

Taxable subjects	The subjects of taxation with the single tax are any legal entities or individuals registered in the Republic of Moldova as subjects of entrepreneurial activity and who cumulatively meet the conditions specified in the legislation on information technology parks (Art.368 para. (1) Tax Code)
Taxable base	The taxable base of the single tax for IT park residents is the revenue from sales, registered monthly in the accounting records (Art.369 Tax Code)
Single tax	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 (Art.370 para. (1) Tax Code); 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 (Art.370 para. (2) Tax Code). The single tax includes the following (only direct) taxes, fees and contributions (Art.372 Tax Code): - Corporate income tax. - Personal income tax. - Social security contributions due by employers and employees. - Health insurance contributions due by employers and employees. - Local taxes. - Property taxes. - Fee for the use of roads by vehicles registered in the Republic of Moldova.

Table. Small and medium business sector tax regime

Taxable subjects	Subjects of taxation are the economic agents that are not registered as VAT payers, except for the farming households (farms), individual entrepreneurs, as well as economic agents whose income share for the previous year from the delivery of business and management consultancy services (point 70.22 of the Activities Classifier in the Economy of Moldova) exceeds 60% of the income from sales (Art.54 ¹ Tax Code)
Taxable base	Income determined according to the financial accounting, obtained during the reporting tax period. (Art.54 ² Tax Code)

²⁹ https://www.legis.md/cautare/getResults?doc_id=118804&lang=ro

Corporate Income tax rate	The income tax rate represents 4% from the taxable base. (Art.54 ³ Tax Code) The income calculation is performed annually. The payment of the tax to the budget is performed in installments, quarterly, until the day of 25th day of the month following the corresponding quarter. (Art.54 ⁴ Tax Code)
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Table. Tax regime of the natural persons carrying out independent activities

Taxpayers	Subjects of taxation are resident natural persons who, without registering an organizational-legal form for carrying on the activity, receive income from the independent activities mentioned at Article 69 ⁶ , except the activities mentioned at Article 88, 90 and 90 ¹ , in the amount not exceeding 600 000 MDL in one tax period (Art.69 ⁷ para. (1) Tax Code).
Taxable base	Object of taxation represents the income from the independent activity earned during the reporting tax period (Art.69 ¹⁰ para. (1) Tax Code).
Corporate Income tax rate	The income tax rate represents 1% of the object of taxation, but not less than 3 000 MDL (Art.69 ¹¹ para. (1) Tax Code).

Table. Tax regime of the natural persons carrying out activities in the field of purchases of crop and/or horticultural products and/or vegetable kingdom objects

Taxpayers	Subjects of taxation are the resident natural persons who, without constituting an organizational-legal form for carrying out the activity, purchase crop and/or horticulture products and/or vegetal kingdom objects from the natural persons who do not carry out entrepreneurial activity, for the purpose of their subsequent sale to the economic agents. Income from the crop and/or horticulture products and/or vegetable products sold to the economic agent shall not exceed the amount of MDL 1.2 million during the calendar year (Art.69 ¹⁵ para. (1) Tax Code).
Taxable base	The object of taxation is the income from the sale of the crop and/or horticulture products and/or vegetal kingdom objects to the economic agent (Art.69 ¹⁷ Tax Code).
Corporate Income tax rate	The income tax rate constitutes 6% of the object of taxation (Art.69 ¹⁸ Tax Code).

Table. Tax regime for residents of free economic zones

Residents of free economic zones benefit from the following tax incentives:	
Corporate income tax	<ul style="list-style-type: none"> - Exemption of 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 (Art.49 letter a) Tax Code); - Exemption of 75% of the tax rate established in the Republic of Moldova on income derived from activities other than the export of goods (services) Moldova (Art.49 letter b) Tax Code); - 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 (Art.49 letter c) Tax Code); - 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 (Art.49 letter d) Tax Code); - Residents who have benefited from the exemptions provided for at letters (c) and (d) and who additionally invest in the fixed assets of their enterprises and/or in the infrastructure development of the free economic zone have the right to benefit repeatedly of exemption from paying taxes on income derived from exports of goods (services) made in the free economic zone or from the delivery of goods (services) produced in the free economic zone to other residents of the free economic zones, starting with the next quarter in which the volume of

	<p>additional investments was reached, provided that the average employees number registered in the calendar year following the year of reaching the additional investment volume will exceed by 20% the average number of employees registered in the calendar year preceding the achievement of the additional investment volume (Art.49 letter e) Tax Code);</p> <ul style="list-style-type: none"> - Tax benefits provided for at letter e) shall be granted according to the amount of the invested capital, as follows: <ul style="list-style-type: none"> - for a capital equivalent to at least one million US dollars - one-year exemption; - for a capital equivalent to at least 3 million US dollars - exemption for a period of 3 years; - for capital equivalent to at least 5 million US dollars - exemption for a period of 5 years (Art.49 letter f) Tax Code);
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II. ADMINISTRATIVE COOPERATION AND MUTUAL ASSISTANCE

35. Please indicate how Moldova cooperates with other countries in the field of administrative cooperation and mutual assistance in tax matters.

Administrative cooperation and mutual assistance in tax matters between the Republic of Moldova and other countries is carried out under the *OECD Convention on Mutual Administrative Assistance in Tax Matters*. The Multilateral Convention was signed by Moldova on 27 January 2011 and entered into force on 1 March 2012 in Moldova.

The *Government Decision No. 1275/2018 for the approval of the Regulation on the mechanism for applying the provisions of the international treaties of the Republic of Moldova in the field of mutual administrative assistance in tax matters*³⁰ regulates the norms and procedures according to which the Republic of Moldova provides/receives mutual administrative assistance in tax matters in order to carry out exchange of information and assistance regarding tax claims, according to the international treaties to which the Republic of Moldova is a party.

According to the provisions of the Tax Code of the Republic of Moldova, Art.133 para. (1) point 23), the State Tax Service ensures the administrative cooperation, including the exchange of information with tax administrations of other states.

36. With which countries does Moldova have Double Tax agreements or Exchange of Information agreements for taxation of capital and income? What kinds of income and capital sources are covered by such agreements? Are there any restrictions on the availability or use of such information? Please provide a version of an article on exchange of information for tax purposes which Moldova is negotiating with the country's contracting partners in relation to Double Tax agreements or Exchange of Information agreements.

The exchange of information between the competent authorities of the Republic of Moldova and its partners is performed under the Agreements on avoidance of double taxation, whose provisions are usually founded on Article 26 of the OECD Model Convention with Respect to Taxes on Income and on Capital.

Moldova's bilateral international agreements for the exchange of information are the following:

	EOI PARTNER	Type of agreement	Signature	Entry into force
1.	Albania	DTC	December 6, 2002	June 6, 2003
2.	Armenia	DTC	October 6, 2002	June 20, 2005
3.	Austria	DTC	April 29, 2004	January 1, 2005
4.	Azerbaijan	DTC	November 27, 1997	January 28, 1999

³⁰ https://www.legis.md/cautare/getResults?doc_id=112042&lang=ro

5.	Belarus	DTC	December 23, 1994	May 28, 1996
6.	Belgium	DTC	December 17, 1987	May 21, 1996
		Protocol	March 30, 2017	Ratified by Moldova
7.	Bosnia and Herzegovina	DTC	December 8, 2003	December 17, 2004
8.	Bulgaria	DTC	September 15, 1998	March 25, 1999
9.	Canada	DTC	July 4, 2002	December 13, 2002
10.	China	DTC	June 7, 2000	May 26, 2001
11.	Croatia	DTC	May 30, 2005	May 10, 2006
12.	Cyprus	DTC	January 28, 2008	September 3, 2008
13.	Czech Republic	DTC	May 12, 1999	April 26, 2000
		Protocol	October 14, 2004	July 13, 2005
14.	Estonia	DTC	February 23, 1998	July 21, 1998
15.	Finland	DTC	April 16, 2008	November 9, 2008
16.	Georgia	DTC	November 29, 2017	April 17, 2018
17.	Greece	DTC	March 29, 2004	July 11, 2005
18.	Hungary	DTC	April 19, 1995	August 16, 1996
19.	Ireland	DTC	May 28, 2009	April 22, 2010
20.	Israel	DTC	November 23, 2006	April 12, 2007
21.	Italy	DTC	July 3, 2002	July 14, 2011
22.	Japan	DTC	January 18, 1986	June 23, 1998
23.	Kazakhstan	DTC	July 15, 1999	February 25, 2002
24.	Kuwait	DTC	March 15, 2010	June 21, 2013
25.	Kyrgyzstan	DTC	April 17, 2004	May 16, 2006
26.	Latvia	DTC	February 25, 1998	June 24, 1998
27.	Lithuania	DTC	February 18, 1998	September 7, 1998
28.	Luxembourg	DTC	July 11, 2007	December 4, 2009
29.	North Macedonia	DTC	February 21, 2006	December 28, 2006
30.	Malta	DTC	April 10, 2014	June 17, 2015
31.	Montenegro	DTC	June 9, 2005	May 23, 2006
32.	Netherlands	DTC	July 3, 2000	June 1, 2001
33.	Oman	DTC	April 3, 2007	August 13, 2007
34.	Poland	DTC	November 15, 1994	October 27, 1995
35.	Portugal	DTC	February 11, 2009	October 18, 2010
36.	Romania	DTC	February 21, 1995	April 10, 1996
37.	Russia	DTC	April 12, 1996	June 6, 1997
38.	Serbia	DTC	June 9, 2005	May 23, 2006
39.	Slovak Republic	DTC	November 25, 2003	September 17, 2006
40.	Slovenia	DTC	May 31, 2006	November 14, 2006
41.	Spain	DTC	October 8, 2007	March 30, 2009
42.	Tajikistan	DTC	November 15, 2002	February 25, 2004
43.	Turkey	DTC	June 25, 1998	July 28, 2000
44.	Turkmenistan	DTC	July 24, 2013	December 31, 2013
45.	Ukraine	DTC	August 29, 1995	May 27, 1996
46.	United Arab Emirates	DTC	July 10, 2017	January 1, 2017
47.	United Kingdom	DTC	November 8, 2007	November 30, 2008
48.	Uzbekistan	DTC	March 30, 1995	November 28, 1995

The taxes that are covered by these agreements are:

- the income tax and
- the tax on immovable property.

The competent authorities of the Contracting States shall exchange information as is foreseeably relevant for carrying out the provisions of the Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind

and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention.

Any information received by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in Convention, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

In no case shall the provisions of the Convention be construed so as to impose on a Contracting State the obligation:

- to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;
- to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;
- to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (public order).

Below is the version of the Article 26 used in negotiating with contracting partners in relation to Double Tax Agreements:

ARTICLE 26

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting States shall exchange such information as is foreseeably relevant for carrying out the provisions of this Convention or to the administration or enforcement of the domestic laws concerning taxes of every kind and description imposed on behalf of the Contracting States, or of their political subdivisions or local authorities, insofar as the taxation thereunder is not contrary to the Convention. The exchange of information is not restricted by Articles 1 and 2.

2. Any information received under paragraph 1 by a Contracting State shall be treated as secret in the same manner as information obtained under the domestic laws of that State and shall be disclosed only to persons or authorities (including courts and administrative bodies) concerned with the assessment or collection of, the enforcement or prosecution in respect of, the determination of appeals in relation to the taxes referred to in paragraph 1, or the oversight of the above. Such persons or authorities shall use the information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions.

3. In no case shall the provisions of paragraphs 1 and 2 be construed so as to impose on a Contracting State the obligation:

a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State;

b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (public order).

4. If information is requested by a Contracting State in accordance with this Article, the other Contracting State shall use its information gathering measures to obtain the requested information, even though that other State may not need such information for its own tax purposes. The obligation contained in the preceding sentence is subject to the limitations of paragraph 3 but in no case shall such limitations be construed to permit a Contracting State to decline to supply information solely because it has no domestic interest in such information.

5. In no case shall the provisions of paragraph 3 be construed to permit a Contracting State to decline to supply information solely because the information is held by a bank, other financial institution, nominee or person acting in an agency or a fiduciary capacity or because it relates to ownership interests in a person.

37. Does Moldova have agreements with other countries for the exchange of information in the field of VAT and are such exchanges regularly carried out?

The exchange of information is carried out based on the OECD Convention on Mutual Administrative Assistance in Tax Matters and 48 bilateral Double Taxation Conventions that cover the exchange of information.

According to the Annex A to the OECD Convention on Mutual Administrative Assistance in Tax Matters (Taxes to which the Convention would apply), in relation to the Republic of Moldova the Convention shall apply including to the Value-Added Taxes.

38. Does Moldova have agreements with other countries for the recovery of taxes, and/or the serving of official tax notices?

The Republic of Moldova carries out administrative assistance in tax claims recovery based on the provisions of the OECD Convention on Mutual Administrative Assistance in Tax Matters, the counterparties being the jurisdictions signatories of the Convention.

Also, the *Convention between the Government of the Republic of Moldova and the Government of Georgia for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income* provides for the assistance in the collection of taxes.

39. Is there any type of restrictions on to exchanging bank information for tax purposes with foreign tax authorities? What is the policy of Moldova as regards access to beneficial ownership information?

The provisions of the article referring to the exchange of information of the DTs provide for the obligations of the contracting parties to exchange information held by banks and other financial institutions. At the same time, the Multilateral Convention ensures that the requested jurisdiction shall not decline to supply the information requested solely because it is held by a financial institution, nominee or person acting in an agency or a fiduciary capacity, or because it relates to ownership interests in a person.

III. TAX POLICY AND ADMINISTRATION. OPERATIONAL CAPACITY AND COMPUTERISATION

D. Tax Policy

40. Please describe the current tax policy of Moldova.

The main purpose of tax and customs policy is to create a tax and customs system in line with European Union standards, competitive nationally and internationally, improving the investment climate, ensuring tax revenue and increasing compliance.

At the same time, the harmonization of tax and customs legislation is a priority deriving from the commitments assumed according to the Moldova-EU Association Agreement. On the part of the tax legislation, the major challenge is the regulations related to VAT and excise duties, in this case, the revision of quotas and exemptions. It is important that the harmonization process be carried out in a way that does not affect the population and the economy as a whole. On the customs legislation side, the new Customs Code harmonized with European Union legislation has been adopted.

A primary objective of the Government, in the current conditions, is to consolidate the budget revenues through an efficient tax and customs administration and not by increasing the tax burden. In the view of the Ministry of Finance, the increase in revenues as a result of streamlining the tax and customs administration indicates an expansion of the tax base by reducing the shadow economy. Thus, in addition to ensuring an increase in budgetary resources, it contributes substantially to the development of a fair competitive environment - a prerequisite for sustainable economic development.

An important aspect in increasing the efficiency of the tax and customs administration is the development and widespread application of information systems with a view to: (1) reducing the costs of administering taxes and duties, both for the administrative body and for the taxpayer, (2) minimizing contact between the taxpayer and the tax and customs official, (3) creating control instruments to ensure administrative intervention only in cases of tax evasion, smuggling or other offenses provided for by law.

The priority of the Ministry of Finance in relation to the business environment is the simplicity, clarity and convenience of the process of calculating and paying taxes and fees. Reducing the number of taxes and duties or fiscal and customs facilities is just one option that the Government may or may not consider depending on budgetary parameters. Instead, the development of a fair, efficient and minimally inconvenient tax system for the private sector is an obligation of the Government.

Also, in order to avoid ambiguities in the application of taxes and duties, it is important to ensure a predictable and comprehensive fiscal and customs legal framework.

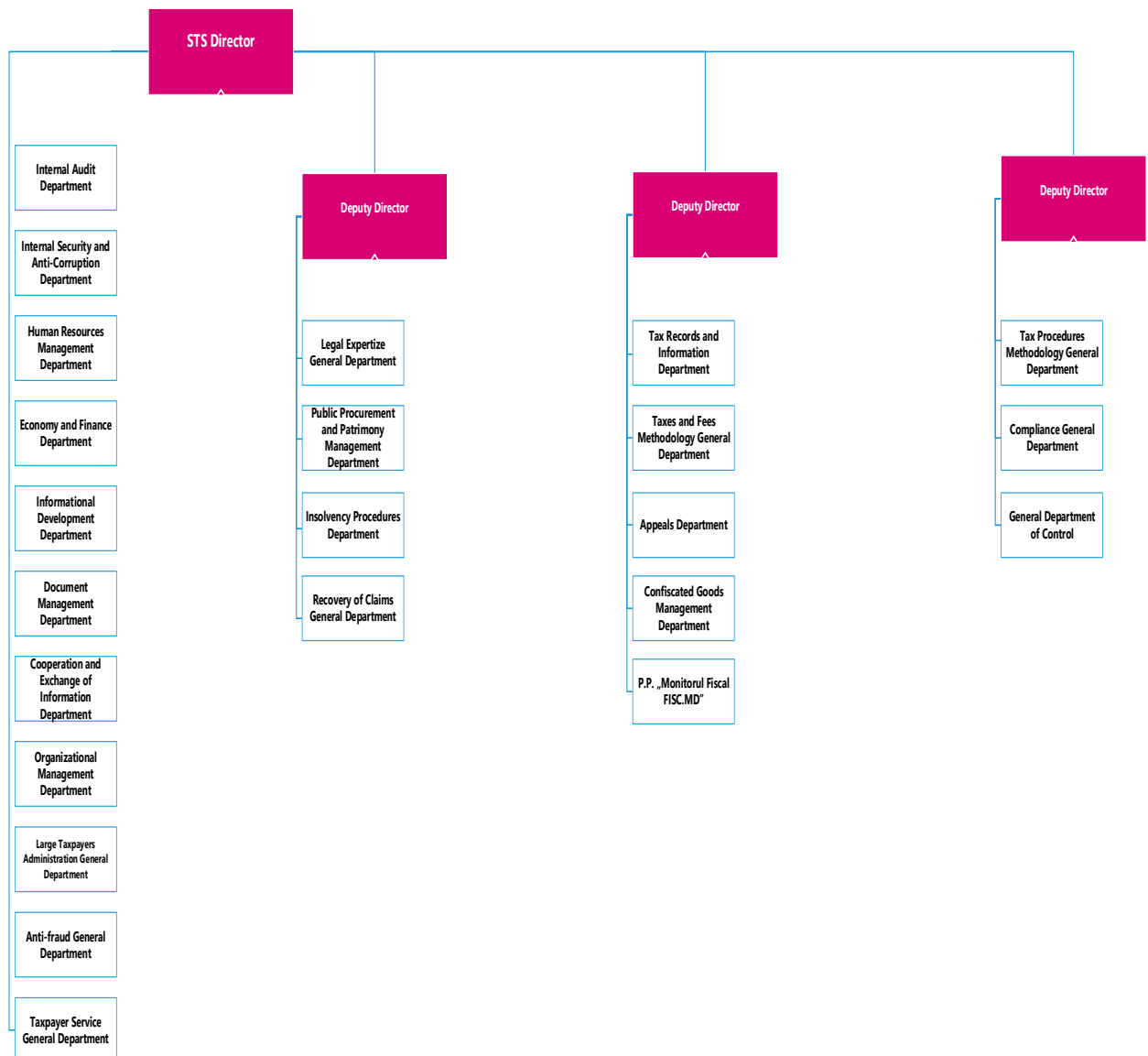
The tax and customs policy measures for 2022, in order to solve the economic constraints and ensure the sustainable development of the Republic of Moldova, aim to achieve the following objectives:

- tax and customs legislation favorable to economic development;
- strengthening budget revenues to finance public spending;
- supporting the business environment.

E. General Tax Administration

41. Please provide information on the organizational structure of the administration responsible for taxation, including excise duties. If available, please provide an organigram.

Please find below the organizational chart of the State Tax Service (Moldova's Tax Administration).



42. Describe the laws governing the tax administration and taxpayers' rights and obligations.

The tax administration is regulated by the Tax Code:

Art. 8 of the Tax Code establishes the rights and obligations of the taxpayer:

(1) The taxpayer is entitled:

a) to obtain free of charge from the State Tax Service and the service for collecting local taxes and fees information about the taxes and fees in force, as well as about the normative acts that regulate the manner and conditions of their payment;

b) to enjoy a correct attitude on the part of the bodies with tax administration attributions and of the persons with their positions of responsibility;

c) to represent its interests within bodies with tax administration attributions personally or through its representative;

d) to direct annually a percentage amount of 2% of the amount of income tax calculated annually to the budget to the beneficiaries of the percentage designation according to art.152 if it does not have debts to the income tax for the previous tax periods;

e) to obtain the postponement, rescheduling, transfer of taxes in the manner and under the conditions provided by this Code;

e¹) to request and obtain from the State Tax Service the anticipated individual fiscal solution in the manner and under the conditions provided by this Code;

f) to present to the bodies with tax administration duties and to the persons with their responsible functions explanations regarding the calculation and payment of taxes and fees;

g) to challenge, in the manner established by the legislation, the decisions, actions or inaction of the bodies with tax administration duties and of the persons with their positions of responsibility;

h) to benefit from other rights established by the fiscal legislation;

i) to benefit from tax facilities, to which he is entitled according to the tax legislation, for the tax period in which he met all the established conditions.

(2) The taxpayer is obliged:

a) to observe the established manner of state registration (re-registration) and of carrying out the entrepreneurial activity;

b) to be registered at the subdivision of the State Tax Service within the area of which it has its headquarters established in the documents of constitution (registration) and to receive the Tax Code Attribution Certificate. These provisions do not apply to persons whose state identification number represents the Tax Code, except for taxpayers for whom the Tax Code is the one assigned in accordance with Art.5 para. 28) letters a), b), c), d) and it is). Taxpayers who are registered by the bodies empowered with the right of state registration are registered with the respective subdivision of the State Tax Service according to the information presented by these bodies;

c) to keep the accounting according to the forms and manner established by the legislation, to prepare and present to the State Tax Service and the local tax collection service tax reports provided by the legislation, to ensure the integrity of the evidence documents according to the requirements of the legislation , to make cash receipts through cash and control equipment, respecting the regulations approved by the Government, including the List of types of activities whose

specificity allows cash receipts without the application of cash and control equipment;

d) to present truthful information about the income resulting from any entrepreneurial activity, as well as about other objects of taxation;

e) to pay to the budget, on time and in full, taking into account the provisions of Art. 7 para. (5), the calculated amounts of taxes and fees, ensuring the accuracy and veracity of the submitted tax reports;

f) in case of the tax legislation compliance control, to present, at the first request, to the responsible persons of the bodies with tax administration duties the evidence documents, tax reports and other documents and information regarding the development of the entrepreneurial activity, the calculation and the payment of taxes and fees to the budget and the granting of facilities, to allow the access, in case of keeping the computerized records, to the electronic accounting system;

f¹) in case of requesting the anticipated individual fiscal solution, to present to the State Tax Service, at the first request, truthful information, documents, explanations and / or additional evidence regarding the activity carried out, regarding the future situations and / or transactions;

g) in case of the tax legislation compliance control, to ensure to the persons with responsible functions of the bodies with tax administration duties free access in the production spaces, in warehouses, in the commercial premises, in other rooms and places (except the used rooms exclusively as living space) for their inspection in order to verify the authenticity of the data in the accounting documents, in the reports, in the tax returns, in the calculations, as well as in the verification of the fulfillment of the liabilities towards the budget;

h) to assist in carrying out the control regarding the tax legislation compliance, to sign the documents regarding the control result, to give written or oral explanations;

i) in case of incorrect calculation and incorrect determination by the State Tax Service of the amount of tax, penalty, interest or fine, to prove this by supporting documents;

j) to fulfill the decisions adopted by the bodies with tax administration duties and other bodies invested with control functions regarding the results of the performed audits, respecting the requirements of the tax legislation;

k) to fulfill other liabilities provided by the tax legislation.

(3) In case of absence of the head of the enterprise, the liabilities provided in para. (2) letters f) and g) are fulfilled by other persons with positions of responsibility, managing of the subject of taxation, within the limits of their competence.

43. Please provide a copy of Moldova's legislation on Tax Administration.

The Tax Code of the Republic of Moldova (Law No. 1163/1997) is available in Romanian (https://www.legis.md/cautare/getResults?doc_id=130659&lang=ro), and English (<https://sfs.md/en/page/tax-code>).

44. Please provide a copy of tax returns for personal income tax, corporate income tax and VAT.

Please find enclosed the forms for tax returns for PIT, CIT and VAT.

45. Please provide a copy of the application form for being registered as a (VAT) taxable person.

Below is a copy:

Annex No.2 approved by IFPS Order no. 392 from 30.04.2015

**APPLICATION FOR
REGISTRATION AS A VAT
PAYER**

For State Tax Service notes
Date of receipt _____
The inspectorate that received the
request _____
Entry number _____

1. The name of the economic agent

--

2. Fiscal code

--

3. Address

--

4. Indicate the type of registration as a VAT payer

Voluntary registration (according to Art.112 para.(2) of the Tax Code)	Registration required (according to Art.112 para.(1) of the Tax Code)
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5. What is the total amount of deliveries, excluding those exempt from VAT, made during the last 12 consecutive months?

MDL

6. In the case of the beneficiary of import services, provided by non-residents of the Republic of Moldova during the last 12 consecutive months, indicate their total value.

MDL

7. Indicate the full name of the manager and chief accountant and other deputies.

Personal No.	Name, surname	Function	Address	Telephone number
		Manager		
		Chief accountant		

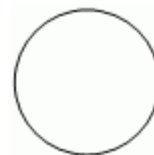
I declare that the information provided in this application is true.

I confirm that I am aware of the obligation established towards the subjects registered as VAT payers by Art.187 para. (2¹) of the Tax Code, for the presentation of the reports using, obligatorily, automated methods of electronic reporting.

I undertake to take the necessary actions in order to obtain the electronic signature of authentication until the deadline for submitting tax reports.

Name, surname of the manager

signature



Stamp

46. Please provide information about internal control and audit procedures.

Internal audit: Within the State Tax Service (STS), there is established the Internal Audit Department (IAD) under the direct subordination of the STS Director. According to the staff plan, there are 10 units within the subdivision (2 management positions, 8 execution positions). Currently, 4 people are working full time, of which 3 hold qualification certificates issued by the Ministry of Finance. Similarly, the Internal Audit Committee is set up within the STS, consisting of the top management of the STS (Director and Deputy Directors). The Committee hears and evaluates in meetings the results of the internal audit missions.

In its activity, IAD is guided by the Audit Charter, the Law 229/2010 on public internal financial control³¹, National internal audit standards³², and National Internal Control Standards³³. In order to facilitate the implementation of the internal audit within the STS, to maintain its continuity as well as to standardize the procedure, in 2015 internal rules and procedures were developed (updated in the period of 2016, 2017, 2018, 2020). The rules describe the main stages of the audit activity: planning (strategic, annual), carrying out the audit mission, reporting the results of audit missions, monitoring the implementation of internal audit recommendations, standard documentation, etc.).

In addition to these rules, there are 9 business processes described in the internal audit activity related to the STS (strategic planning, annual planning, internal audit mission planning, fieldwork stage, mission reporting, follow-up of internal audit recommendations, activity reporting, evaluation and maintaining the quality, carrying out the work of the Internal Audit Committee) and identification, assessment and monitoring of 6 basic risks specific to internal audit. At the same time, in order to ensure quality, the Internal Audit and Quality Improvement Program has been developed and is implemented and reported annually.

³¹ (https://www.legis.md/search/getResults?doc_id=110521&lang=en)

³² https://www.legis.md/search/getResults?doc_id=110376&lang=en

³³ https://www.legis.md/search/getResults?doc_id=89744&lang=en

Mostly, the activity of the subdivision focuses on performing internal audit missions of performance, compliance, financial, system, IT (about 6-8 missions annually) and monitoring the implementation of recommendations (the level of implementation of recommendations is reported at least quarterly to the STS Director). In addition, the subdivision also provides advisory services on issues of major interest to the management of the STS.

Internal control: Within the STS, a complex internal audit system has been set up since 2013. The system is self-assessed and improved annually, as well as reported to the Ministry of Finance. The system has a multitude of strengths: such as integrity policies (code of ethics, sensitive function policies, anti-corruption policies, conflict of interest and gift reporting regulations, information security policies, etc.), business planning procedures, and its reporting (methodologies for drawing up and reporting plans, performance indicators, business continuity plan), risk management procedures (STS Risk Register, 45 risk passports, Risk Committee), business process management (Catalogue containing 292 described business processes of which in the financial field – 12, government – 35, IT – 13, operational – 135, support – 97, and Commission for the approval of business processes).

47. What are Moldova's plans regarding preparations towards full interconnectivity of the country's IT systems with the European Union IT taxation systems (VIES, VAT Refund, EMCS, etc.)?

There are no integrated systems in the Republic of Moldova and no plans, at the moment.

At the same time, the Republic of Moldova has initiated the procedure for the implementation of the automatic exchange of financial account information in accordance with the OECD's Common Reporting Standard. Thus, the Republic of Moldova has ratified the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information by adopting the Law No. 45/2022 (published in the Official Gazette on 25.03.2022), committing to initiate the exchange of information in 2023.

In addition, by the end of 2022 the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes will finalize the assessment of the State Tax Service on information security management in accordance with international confidentiality and data protection requirements.

48. Please provide information and statistics for 2019/2021 on measures against tax evasion.

Please find below statistics on measures undertaken against tax evasion during 2019/2021:

Undertaken measure	Indicator	2019	2020	2021
1. Conducting tax audits (total), <i>including</i> :	No. of audits	48 346	45 594	36 401
	Tax liabilities additionally calculated at the NPB, million MDL	225.28	601.3	169.6
1.1. Application of enforcement measures against high-income individuals	No. of audits	135	115	146
	Tax liabilities additionally calculated at the NPB, million MDL	62.46	55.76	65.36
1.2. Tax audits were carried out in order to minimize the phenomenon of envelope salaries and undeclared work	No. of audits	406	394	442
	Tax liabilities additionally calculated at the NPB, million MDL	15.34	18.91	31.28
1.3. Carrying out tax audits of taxi drivers	No. of audits	1 573	1 837	1 651
	Tax liabilities additionally calculated at the NPB, million MDL	1.02	2.23	1.11
1.4. Carrying out tax audits in the field of online commerce	No. of audits	292	927	720
	Tax liabilities additionally calculated at the NPB, million MDL	0.42	0,92	1.19
2. Application of voluntary compliance measures in accordance with the Taxpayers Compliance Program, in order to prevent tax evasion	No. of monitored taxpayers	4 464	1 889	3 830
	Tax liabilities additionally calculated at the NPB, million MDL	890.2	788.8	1 246.30
3. Monitoring taxpayers in terms of fiscal posts	No. of established fiscal posts	285	53	107

In order to combat the phenomenon of tax evasion, the Strategy for the development of the public finance management 2013-2022 has been approved by Government Decision No. 573/2013³⁴, Similar measures to prevent tax evasion are covered by the Government's Action Plan of the for the years 2021-2022, approved by Government Decision No. 235/2021³⁵.

Since January 1, 2021, the State Tax Service has been carrying out the criminal investigation and the special investigation activity for the economic crimes, according to art. 241–242, 244, 244¹, 250–253 and 335¹ of the Criminal Code.

49. Please explain the objections and administrative appeal system in case a taxpayer does not agree with a decision taken by the tax authorities.

At the end of the tax audit, according to Art. 215 para. (4) and Art. 216 para. (5) of the Tax Code, a tax audit act is prepared, and delivered to the data subject, which according to the provisions of Art. 216 para. (8) of the same Code, is entitled to submit in writing, within 15 calendar days from the date of communication, the argument of the disagreement, attaching the necessary documents. As a result, the tax authority has 15 days from the date of submission of the disagreement or from the date of expiry of the deadline for submission of the disagreement, to issue a

³⁴ https://www.legis.md/cautare/getResults?doc_id=125548&lang=ro

³⁵ https://www.legis.md/cautare/getResults?doc_id=128407&lang=ro

decision on the law violation case , which may be extended by 30 days, according to Art. 246 para. (2) of the Tax Code.

Following the pronouncement of the decision on the case of violation of the legislation in accordance with the provisions of Art. 249 of the Tax Code, the taxpayer is informed of the right to contest the decision within 30 days from the date of its communication, according to Art. 268 and Art.269 of the Tax Code. In case of submitting the appeal within the indicated term, the State Tax Service has 30 calendar days from the date of receiving the appeal / prior request for examining the appeal, to issue one of the possible decisions, according to Art. 271 of the Tax Code. According to Art. 270 of the Tax Code, the term for examining the appeal may be extended for a period not exceeding 30 calendar days.

And finally, Art. 269 para. (2) of the Tax Code, provides the right of the taxpayer, in case of a disagreement with the decision issued after the appeal by the State Tax Service, to go to Court.

50. Please explain how the tax control is organized and resourced and how it functions.

The tax control (tax audit) is exercised by the State Tax Service according to general principles of performing a tax control, established in Chapter 11 of Title V of the Tax Code.

Also, the State Tax Service elaborated, for internal guidance, the Regulation on the performance of the control by the State Tax Service, approved by the STS Order no. 320/2019.

It should be noted that the above-mentioned regulation establishes unique methods and techniques for organizing and exercising the tax control, listing different types of checks with specific particularities related to each of them.

The General Department of Control includes:

- *13 Post-Operational Control Departments, where 183 tax officials work, including Heads of Departments.* Post-Operational Control Department is responsible for:
 - performing all types of tax audits ordered according to the annual, monthly plan, including, factual verification, documentary verification, total verification, partial verification, operative verification, verification by cross-checking, thematic verification (e.g.VAT refund);
 - application of measures to ensure the settlement of the tax liabilities calculated as a result of the performed audits;
 - carrying out tax audits of individuals with the estimation of tax liabilities by indirect methods and from indirect sources.

- *6 Operational Control Departments, where 126 tax officials work, including Heads of Departments.* Operational Control Department is responsible for:
 - performing tax audits ordered according to the monthly audit plan, including, factual verification, partial verification, operative verification, thematic verification;
 - monitoring taxpayers within the fiscal posts established at economic agents.
- *Control Organization Department, where 15 tax officials work, including the Head of the Department.* Control Organization Department is responsible for:
 - performing all types of tax audits ordered according to the monthly plan, including, factual verification, documentary verification, total verification, partial verification, operative verification, verification by cross-checking, thematic verification (e.g. VAT refund);
 - application of measures to ensure the settlement of the tax liabilities calculated as a result of the performed audits;
 - carrying out tax audits of individuals with the estimation of tax liabilities by indirect methods and from indirect sources;
 - generalization, analysis and transmission of the results of the activity of the Control Departments by receiving, verifying, generalizing reports and information and presenting them in time in strict accordance with the elements of the reporting system.

F. Revenue statistics

51. Please provide a detailed description and relevant statistics of the overall revenue structure (taxes and social contributions) and of its main components (according to OECD revenue classification).

Starting with 2016 the budget classification was modified and it is according to the classification from Government Finance Statistics (GFS) 2001. The structure of the budget classification and the methodology applicable for each type of revenue classification was approved by Order of the Ministry of Finance No. 208/2015³⁶ (Annexes No. 11 and No. 12).

The information is not available according to the OECD revenue classification.

The table below presents the dynamics of revenues by the main types of taxes and contributions, collected by the national public budget (NPB) for the period 2019-2021 (million MDL).

³⁶ https://www.legis.md/cautare/getResults?doc_id=130931&lang=ro

Name	2019	2020	2021
TOTAL NPB* revenues	62 949.2	62 650.0	77 373.0
out of which:			
11 Taxes	40 054.2	39 747.1	49 388.8
111 Income taxes	9 335.3	9 288.6	11 143.1
1111 Personal income taxes	3 970.0	4 165.6	5 133.8
1112 Corporate income taxes	5 365.3	5 123.0	6 009.3
113 Taxes on property	579.9	582.4	750.2
114 General taxes on goods and services	28 340.6	28 137.2	35 242.5
1141 VAT	20 183.3	19 770.1	25 508.8
1142 Excise	6 221.9	6 468.8	7 608.3
115 Taxes on international trade and transactions	1 798.4	1 738.9	2 253.0
12 Social security contributions	18 403.9	19 234.9	21 839.1

Notes:

* NPB includes the state budget, local budgets, social and medical funds.

** Do not included grants (13) and other revenue (14).

Standard form

Annex no.1
To Government Decision
no.596 of 13 august 2012

Form VEN 12

Income Tax DECLARATION for the fiscal period_____



<input type="checkbox"/>	A	Persons not specified under letters B, C, D and E
<input type="checkbox"/>	B	Individual Enterprises (individual entrepreneurs)
<input type="checkbox"/>	C	Farming households
<input type="checkbox"/>	D	Persons practicing professional activity
<input type="checkbox"/>	E	Society

Mark "✓" in the selected box

Name of taxpayer_____

Fiscal Code_____

Main activity type_____ Code _____

Manager of the economic agent

(name, surname)

Stamp _____
(signature)

Chief Accountant

Submission date_____

(name, surname)

(signature)

State Tax Inspectorate

Reception date_____

Officer of Tax Authority

(name, surname)

(signature)

Indicators	Code	Amount
Profit (loss) in the current reported period before taxation (row 10101 – row 0102)	010	
Total amount of incomes stated according to financial accounting (amount of class "Incomes")	0101	
Total amount of expenditures stated according to financial accounting (amount of class "Expenditures")	0102	
Adjustment (increase /decrease) of income according to provisions of tax legislation (annex 1D)	020	
Adjustment (increase /decrease) of expenditures according to provisions of tax legislation (annex 2D)	030	
Incomes (losses) received during the fiscal period, taking into consideration adjustment (increase/decrease) (row 010 + row 020 – row 030)	040	

Amount of expenditures related to philanthropic or sponsorship donations to the benefit of organizations listed in Article 36 of the Tax Code, within set limits (row 040 × %)	050	
Amount of expenditures with no documentary confirmation, within set limits (row 040 × %)	060	
Amount of exemptions (this indicator shall not exceed the positive result of calculation (row 040 – row 050 – row 060))	0701	
Amount of taxable income without taking into consideration the fiscal losses in the previous years: for taxpayers - legal persons: (row 040 – row 050 – row 060) (to indicate only the positive result, if the calculation results in a negative value, this negative result will be reflected in row 100); for taxpayers -natural persons: (row 040 – row 050 – row 060 – row 0701) (to indicate only the positive result, if the calculation results in a negative value, this negative result will be reflected in row 100)	070	
Amount of fiscal losses reported in the previous fiscal periods allowed for deduction in the current fiscal period, but not larger than the sum indicated in row 070	080	
Amount of taxable income before application of fiscal facilities (row 070 – row 080)	0901	
Amount of tax-exempted income (Annex 4D)	0902	
Amount of taxable income (row 0901 – row 0902)	090	
Amount of fiscal losses (negative result calculated to determine the indicator in row 070)	100	
Rate of income tax, % (to be filled in by only legal persons)	110	
Amount of income tax: for taxpayers - legal persons: (row 090 × row 110) for taxpayers –natural persons: (Annex 5D)	120	
Amount of fiscal facilities provided from the calculated amount of income tax (Annex 6D)	130	
Amount of fiscal facilities provided as exemption of income tax on the income reflected in row 0902 (Annex 4D, column 4) (informative indicator not used upon further calculation of fiscal liabilities)	140	
Amount of income tax in the current fiscal period, except for fiscal facilities (row 120 – row 130)	150	
Income tax paid abroad (Annex 7D)	1601	
Income tax withheld at source of payment (Article 89 of the Tax Code)	1602	
Amount of tax credits according to Articles 82 and 89 of the Tax Code - total (row 1601 + row 1602)	160	
Amount of income tax subject to reflection in the personal file of the taxpayer (row 150 – row 160)	170	
Income tax paid in installments over the fiscal year according to Article 84 of the Tax Code	1801	
Income tax withheld in advance for payment of dividends to be credited (Article 801 of the Tax Code)	1802	
Total amount of income tax paid during the fiscal year (row 1801 + row 1802)	180	
Total income tax to be paid (row 150 – row 160 – row 180)	190	
Amount of excess income tax payment (row 160 + row 180 – row 150)	200	

Control amount

_____ (to be reflected as amount in row 170)

ANNEX To the Income Tax Declaration

Annex 1D/

Note to row 020

Adjustment (increase /decrease) of income according to provisions of tax legislation

Indicators	Code	Recognized		Differences of column 3- column 2
		In financial accounting	For fiscal purposes	
A	1	2	3	4
Income received in form of gains from promotional companies	0201		0	
Incomes related to bank deposits placed for a term of over 3 years and corporate securities in form of bonds issued for a term of over 3 years (Law	0202		0	

no. 1164-XIII of 24 April 1997 on Implementation of Titles I and II of the Tax Code, Article 24 para (8))				
Interest on state securities (Law no. 1164-XIII of 24 April 1997 on Implementation of Titles I and II of the Tax Code, Article 24 para (9))	0203		0	
Income received following replacement of property (Article 22 of the Tax Code) (in column 2 to indicate the amount of extraordinary incomes)	02041		0	
Income received as result of non-replacement or partial replacement of property (Article 22 of the Tax Code)	02042	X		
Income received following modification of the bookkeeping approach (Article 44 para (8) of the Tax Code)	0205			
Income received from sale of fixed assets (Article 27 para (2) of the Tax Code)	0206			
Income received following donation of assets, except for capital assets (Article 42) (Annex 1.1D of the Tax Code)	0207	X		
Income (loss) following transactions in capital assets (Annex 1.2D)	0208			
Amount of income from settlement of claims previously written-off on the account of expenditures of the reported period, including through provisions set in accordance with provisions of the National Accounting Standards or International Financing Reporting Standards, but not allowed for deduction in accordance with the Tax Code	0209		0	
Income received in non-monetary form (Article 21 para (1) of the Tax Code)	02010			
Contributions to the capital of an economic agent provided in Article 55 Tax Code	02011		0	
Money means received from special funds and used according to fund destination, specified in the tax legislation as not subject to taxation (Article 20, lit.z ² , Tax Code)	02012		0	
Penalties and fines canceled, qualified in the relevant legislative act as not subject to taxation	02013		0	
Incomes received following use of fiscal facilities (Article 20 letter z) of the Tax Code	02014		0	
Income resulted from non-discharge of indebtedness by the economic agent, if such debt is the result of insolvency of the taxpayer (Article 18 letter j) of the Tax Code)	02015		0	
Income from revaluation of fixed assets and other assets (Article 20 lit.z ⁹ , Tax Code)	02016		0	
Income from transition from National Accounting Standards to International Financing Reporting Standards (Article 44 para (9) of the Tax Code)	02017			
Income received as dividends (Article 90 ¹ para (3 ¹) of the Tax Code)	02018		0	
Other (to indicate)	02019			
TOTAL	020	X	X	

Annex 1.1D

Note to row 0207

Income received from donation of assets

Category of donated assets	Code	Balance-sheet value (value basis)	Market price at the time of donation	Maximum value of column 2 and column 3 (to indicate in column 3, row 0207)
----------------------------	------	-----------------------------------	--------------------------------------	--

A	1	2	3	4
Current assets – total	0207			
Including goods	02071			
Fixed assets	02072			
Other assets	02073			

Annex 1.2D

Note to row 0208

Surplus following transactions in capital assets

Capital assets	Code	Income (loss) received from sale (disposal) of capital assets in financial reporting	Disposal of capital assets		Capital increase (column 4 – column 3)	Capital loss (column 3 – column 4)	Amount of capital loss in the previous period	Amount of capital increase (column 5 – column 6 – column 7)	Amount of capital increase subject to taxation (column 8 × 50%) (to be indicated in column 3, row 0208)	Amount of capital loss not allowed for deduction in the fiscal year (column 6 + column 7 – column 5)
			Value base	Amount collected from sale (disposal)						
A	1	2	3	4	5	6	7	8	9	10
Shares and other property titles in entrepreneurial activity	02081						X	X	X	X
Debt instruments	02082						X	X	X	X
Private property not used in Entrepreneurial activity, sold at a price exceeding its adjusted value bas	02083					X	X	X	X	X
Land	02084						X	X	X	X
Option upon procurement or sale of capital assets	02085						X	X	X	X
Total	0208									

Annex 2D

Note to row 030

Adjustment (increase /decrease) of expenditures according to provisions of tax legislation

Corrections	Code	Recognized in		Difference of column 3 – column 2
		Financial accounting	Fiscal purposes	
A	1	2	3	4
Personal and family expenditures (Article 23 of the Tax Code)	0301		0	
Delegation expenditures (Article 24 para (3) of the Tax Code)	0302			
Insurance expenditures (Article 24 para (3) of the Tax Code)	0303			

Representation expenditures (Article 24 para (3) of the Tax Code) (Annex 2.1D of the Tax Code)	0304			
Losses as a result of sale or exchange of property, performance of works and provision of services, made directly or indirectly between interdependent persons (Article 24 para (8) of the Tax Code)	0305		0	
Expenses paid to a member of taxpayer's family, an official or manager of a business, if there is no justification for making such payment (Article 24 para (7) of the Tax Code)	0306		0	
Expenses before payment is made, if the taxpayer has a liability to an interdependent person who uses the cash method (Article 44 para (5) of the Tax Code)	0307		0	
Expenses made to an interdependent person who uses the cash method (Article 44 para (5) of the Tax Code)	0308	0		
Expenses related to obtaining tax exempted income (Article 24 para (9) of the Tax Code)	0309		0	
Expenses related to paid or calculated interest (Article 25 para (2) of the Tax Code)	03010			
Expenses on property repair (Article 27 para (8) of the Tax Code)	03011			
Amount of depreciation of fixed assets (Article 26 of the Tax Code)	03012			
Expenses on scientific research and investigation (Article 27 para (6) of the Tax Code)	03013			
Payments to the Reserve Fund (Article 31 para (2) of the Tax Code)	03014		0	
Deduction of bad debts (Article 31 para (1) of the Tax Code)	03015			
Other expenditures related to entrepreneurial activity deducted from reserve funds established during the reported fiscal year (Article 31 para (2) of the Tax Code)	03016			
Payments to the risk fund (Article 31 para (3) of the Tax Code) (to be filled in by financial institutions)	03017			
Expenditures related to reserve establishment by the economic agents in the area of insurance (Article 50 para (3) of the Tax Code)	03018			
Penalties, fines, and other sanctions applied for infringement of normative acts (Article 30 para (1) of the Tax Code)	03019		0	
Losses from sale of fixed assets, inclusive in event of donation (Article 27 para (2) of the Tax Code)	03020			
Losses from other outflows of fixed assets other than those indicated in row 03020 (Article 24 para (1) of the Tax Code)	03021		0	
Depreciation of intangible property (Article 28 of the Tax Code)	03022			
Expenditures related to extraction of irrecoverable natural resources (Article 29 of the Tax Code)	03023			
Investment related expenditures (Article 36 para (4) letter b) of the Tax Code)	03024			
Amount of money contributions made for philanthropic and sponsorship purposes (Article 36 para (1) of the Tax Code)	03025		0	
Amount of expenditures not confirmed documentarily (Article 24 para (10) of the Tax Code)	03026		0	
Future expenditures for land cultivation (Article 29 para (4) of the Tax Code)	03027			
Future expenditures for recovery of agricultural production losses in event of land assignment by Government Decision (Article 29 para (5) of the Tax Code)	03028			
Expenditures on payments in favor of employees, which cannot be qualified as salary payments	03029		0	
Expenditures related to holders of entrepreneurial patents (Article 24 para (11) of the Tax Code)	03030		0	
Losses from residues, waste and natural perishables (Article 24 para (13) of the Tax Code)	03031			

Losses resulted from evaluation of stocks of goods and materials at trade value in accordance with the National Accounting Standards or International Financing Reporting Standards	03032		0	
Losses resulted from assessment of short-term investments at market value in accordance with the National Accounting Standards or International Financing Reporting Standards	03033		0	
Expenditures related to repatriation of fixed assets used according to lease agreement (Article 27 para (9) letter b) of the Tax Code)	03034			
Amounts paid upon procurement of property for which wear and tear (amortization) is calculated (Article 24 para (6) of the Tax Code)	03035		0	
Expenditures related to establishment of provisions and insurance premiums (Article 24 para (16) of the Tax Code)	03036			
Amount of money contributions made for philanthropic or sponsorship purposes in non-monetary form (Article 36 para (1) of the Tax Code)	03037			
Amount of money contributions made as donation	03038		0	
Expenditures related to elimination of over-norm emissions of pollutants into the environment and for use of natural resources over the limits (Article 24 para (12) of the Tax Code)	03039		0	
Expenditures related to taxes and fees for accession and membership related to the activity of employers' associations (Article 24 para (15) of the Tax Code)	03040			
Expenditures resulted from revaluation of fixed assets and other assets (Article 24 para (18) of the Tax Code)	03041		0	
Expenditures of establishment of provisions (Article 31 para (4) of the Tax Code)	03042			
Expenditures of establishment of provisions (Article 31 para (6) of the Tax Code)	03043			
Expenditures related to transition from National Accounting Standards to International Financing Reporting Standards (Article 44 para (9) of the Tax Code)	03044			
Other expenditures resulted from transition from National Accounting Standards to International Financing Reporting Standards allowed for deduction	03045			
Other expenditures not related to entrepreneurial activity (to be indicated)	03046			
TOTAL	030	X	X	

Annex 2.1D

Note to row 0304 Representative expenses

Indicators	Code	Amount	Limit amount of representative expenses, %	Amount of representative expenses
A	1	2	3	4
Income according to the financial accounting data (amount of the "Income" class)	03041		X	X
Amount of adjustments (increases / decreases) of income (row 020 from Declaration)	03042			
Amount of gross income (row 03041 + row 03042)	03043			
inclusive:				
from the sale of goods	030431		0,5	
other income (row 03043 – row 030431)	030432		1,0	

Total limit amount of representative expenses (row 030431 + row 030432)	03044	X	X	
Amount of actual representative expenses (is reflected in annex 2D, row 0304, column 2)	03045	X	X	
Representative expenses allowed for deduction (row 03045, but not more than row 03044 (is reflected in annex 2D, row 0304, column 3)	03046	X	X	

Annex 3D

Note to row 0701
Amount of exemptions

No. d/o	Fiscal code of founders	Name and surname of the founder	Fiscal code of the maintained persons	Fiscal code of wife (husband)	Amount of exemptions used						Total amount of exemptions (column 6 or 7 + column 8 or 9 + column 10 + column 11)
					P	M	S	Sm	N	H	
1	2	3		5	6	7	8	9	10	11	12
TOTAL				X							

Annex 4D

Note to row 0902
Amount of tax-exempt income

Code of fiscal facilities	The number and date of the law providing for the granting of the fiscal facility	The amount of tax-exempt income within the limits of the indicator in row 0901 of the Declaration	The sum of the tax facilities granted in the form of exemption from income tax is reflected in row 0902 (column 3 × fixed rate) (the total is indicated in row 140 of the Declaration))
1	2	3	4
TOTAL			

Annex 5D

Note to row 120
The amount of income tax calculated by the taxpayers with the status of natural person

Code	Amount of taxable income (according to the amount of taxable income specified in art.15 letter (a) of the Tax Code)	Income tax rate based on the amount of taxable income specified in art.15 letter (a) of the Tax Code	Amount of income tax (column 2 × column 3) (the total is indicated in row 120 of the Declaration)
1	2	3	4
1201			
1202			
1203			
120	TOTAL		

Annex 6D

Note to row 130

Amount of the tax facilities granted from the calculated amount of the income tax

Code of fiscal facilities	The number and date of the law providing for the granting of the fiscal facility	The amount of income tax from which the tax facility is determined	% of the tax facility granted from the income tax	Non-payable income tax amount (column 3 × column 4) (row 130)
1	2	3	4	5
TOTAL				

Annex 7D

Note to row 1601

Income tax paid abroad

Indicators	Code	Amount				Total
A	1	2	3	4	5	6
Country in which income was received	16011					
Amount of income received abroad	16012					
Expenses related to income abroad	16013					
Taxable income from operations abroad (rows 16012 – 16013)	16014					
Amount of taxable income (row 090 from Declaration)	16015					
The share of taxable income from activities abroad in the total amount of taxable income (row 16014 : row 16015 × 100)%	16016					
Amount of income tax (row 150 from Declaration)	16017					
Amount of income tax paid abroad	16018					
The amount of income tax calculated in accordance with the rates established in the Tax Code (row 16016 × row 16017 : 100)	16019					
The amount of income tax to be passed into the account (minimum amount indicated in rows 16018 and 16019)	16020					

Annex 8D

The amount of income tax payable by installments for the year following the reporting

Method of income tax payment in installments	Payment terms			
	31.03	30.06	30.09	31.12
Based on the projected income tax payable in the tax year				
Based on the amount of income tax payable for the previous year				

Annex 9D

Information about taxpayers - the individual entrepreneur

No.	Name and surname	Fiscal code	The amount of tax exemptions granted to individual entrepreneurs	According to the quote of participation					
				Amount of taxable income (row 090)	Amount of income tax (row 120)	The amount of the tax facilities granted from the calculated amount of the income tax (row 130)	The amount of taxable income recalculated from which the fiscal facility from the calculated amount of income tax applies	The amount of taxable income, excluding the amount of income subject to the tax facility (col.5- col.8)	Amount of income tax in the current fiscal period, excluding tax facilities (col.6- col.7)
1	2	3	4	5	6	7	8	9	10
x	Total	x							

Annex 10D

Income tax divided by subdivisions

No.	Subdivision code	Locality code	Amount of income tax that can be reflected in the taxpayer's personal account (row 170 of the Declaration)
1	2	3	4

Total for taxpayer			

State Tax Service Republic of Moldova
VAT Declaration

VAT Form 2012

Tax Code _____ **52.** **VAT registration number** _____

Name _____

Address _____

53. For internal use of Tax Service

Tax period

Submission date

☐ *

Income classification: **Chapter code** _____

Paragraph code _____

	Value without VAT (lei)		Amount of VAT (lei)	
Deliveries of goods and service Including	1		2	
	1.1		2.1	
Delivery of goods, services at a reduced rate	3		4	
Deliveries exempt from VAT with deduction right	5			
Deliveries exempt from VAT without deduction right	6			
Import of services	7		8	
Adjustment of VAT for deliveries			9	
Total	10		11	
	(1+3+5+6)		(2+4+9)	
Including prepayments (in advance)			11.1	
Purchases of goods, services	12		13	
Import and purchases of goods, services	14		15	

Adjustment of VAT for purchases

The amount of VAT deductible from the previous period

Total deductible VAT

VAT payable to the budget

VAT payable to the budget for the import of services (amount indicated in column 8)

The amount of VAT deductible in the subsequent period

VAT recoverable

16	
17	
18 (13+15 +16+17)	
19 (11-18)	
20	
21 (18-11-22)	
22	

We declare that the information presented in this declaration is complete and accurate.

Head of the enterprise

Signature: _____

Chief Accountant

Signature: _____

Date _____

Annex no.1
to the VAT declaration

List of tax invoices received

TVA FACT Form

Tax Code _____ 54. VAT registration number _____

Name of the economic agent that presents the annex to the declaration _____

Tax period _____

Number of tax invoices received _____

55. For internal use of
Tax
56. Service

No.	T / c of the supplier who issued the tax invoice	Date of issue of the tax invoice	Tax invoice series	Tax invoice number	Total value of delivery on the tax invoice without VAT, lei	Total amount of VAT for the delivery, lei
	1	2	3	4	5	6
1						
2						
...						

	Total on the page	X	X	X		
	Total	X	X	X		

Head of the enterprise

Signature: _____

Chief Accountant

Signature: _____

Date _____

Annex no.2
to the VAT declaration

List of tax invoices issued

TVA LIVR Form

Tax Code_____ 57. VAT registration number _____

Name of the economic agent that presents the annex to the declaration

Tax period _____

Number of tax invoices issued _____

58. For internal use of
Tax

59. Service

No.	T / c of the buyer who received the tax invoice	Date of issue of the tax invoice	Tax invoice series	Tax invoice number	Total value of delivery on the tax invoice without VAT, lei	Total amount of VAT for the delivery, lei
	1	2	3	4	5	6
1						
2						
...						
	Total on the page	X	X	X		
	Total	X	X	X		

Head of the enterprise

Signature: _____

Chief Accountant

Signature: _____

Date _____