Meeting of the Prime Minister’s Economic Council on barriers to trade

On September 9, 2014, the Prime Minister’s Economic Council has hosted a special meeting on “Facilitation of Moldovan exports and eliminating the barriers to trade for various goods”.

The meeting has brought together representatives of business associations, including sector associations, as well as representatives of Government institutions responsible for the country’s foreign trade policies and logistics. Private sector representatives have communicated their practical experience (read more...)

Reducing the cost of testing and certification of agricultural and food products for export

Following consultations with the representatives of the business community at the Economic Council meeting in September 2014, the Ministry of Agriculture and read more...

Tax visits to newly registered companies were abolished

On October 28, 2014, the State Tax Service has announced the abolition of all tax visits to newly-registered companies, following a request of the Prime Minister Iurie Leancă. According to their Order no. 1492 of 28.10.2014, none of the newly-registered companies will be visited or required to visit State Tax Service offices until the submission of the first tax report. read more...
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The meeting has brought together representatives of business associations, including sector associations, as well as representatives of Government institutions responsible for the country’s foreign trade policies and logistics.

Private sector representatives have communicated their practical experience and the main barriers they are encountering.

Discussions also touched upon issues pertinent to agriculture, especially fruits and vegetables; food industry, such as producers of sugar, canned products; as well as issues related to manufacturing.

Proposals for facilitating the export of Moldovan products to new markets were put forward, and opinions have been exchanged on maintaining the positions on traditional markets. Specifically, it has been agreed upon the need to intensify the dialog with EU authorities concerning the increase of import quotas for Moldovan products.

Cutting the exports’ costs and procedures has been another topic. During the meeting, participants agreed that National Food Safety Agency shall identify solutions to simplify the procedures of issuing permissive documents for export - phytosanitary certificate, food safety certificate, certificate of conformity, sanitary and veterinary certificates.

Also, cutting the number of documents required for their issuance, reducing waiting time and costs incurred by entrepreneurs have been analyzed.

Participants have also discussed the need for a more effective information of exporters, particularly the small ones, with an emphasis on new trade regulations with the European Union, applicable since the effectiveness of the Deep and Comprehensive Free Trade Agreement.

Ministries were requested to develop information packages for various product categories, which would contain relevant information about the export procedures to EU countries.

This information should be made available through business associations and mass-media, including with the support of relevant technical assistance projects.

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According to the document, the State Tax Service has adjusted its internal regulations covering tax visits, and eliminated any tax visits to newly-registered companies during the period from registration until the first tax report. State Tax Service employees shall offer advice and consultation only upon the companies’ request, while tax visits will be performed based on risk evaluation of the company.

By issuing the above Order, the State Tax Service has ensured the proper functioning of the “one-stop-shop” principle at company registration. The final objective of this reform is to improve the business climate in the Republic of Moldova.

Abolishing tax visits is the final step in a series of Prime Minister’s requests to the State Tax Service, Social Insurance House, Medical Insurance Company and National Bureau of Statistics, aiming at cutting bureaucracy and overlapping procedures when starting a business. The respective reforms have been implemented during the period of May-October 2014 lead by the Prime Minister’s Economic Council.
Electronic invoicing in public institutions

Following the Prime Minister’s request, over 400 public institutions, of which 13 ministries, have been connected to the Electronic Tax Invoice electronic service. This e-service replaces the old fashioned mechanism of issuing and managing paper based tax invoices.

The mandatory use of electronic tax invoice in public institutions will determine a wider usage of the e-service in private companies doing business with Government Institutions.

This electronic service will contribute to minimizing the costs and time of managing the inventory of tax invoices, providing the flexibility of checking online the amounts of their tax accounts without the need for visiting territorial Tax offices.

This initiative ensures transparent and efficient provision of quality public services aiming at improving the relationship between the State Tax Service and business environment and minimizing their administrative burden.

This initiative comes as a result of cooperation between the Prime Minister’s Economic Council and the Electronic Governance Center. The State Enterprise “FiscServInform” was in charge of connecting the state institutions during July-October 2014.

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Information of public interest about companies registered in the Republic of Moldova has been placed on-line

Following the Prime Minister’s request on August 2014, and the discussions held within the Economic Council meetings, information of public interest regarding business entities registered in Moldova was published and is available for free.

The information made public covers the registration date, the directors’ names, legal status, address and companies’ status, for all economic entities registered in Moldova.

Up to now, access to this information was limited and for obtaining it, a fee between 36 and 540 lei was charged. As a result of making public the data, this information is available online for free.

**Free access to this data will improve the transparency of the business environment and will help the existing entrepreneurs and investors to identify potential clients and business partners in conducting market researches and competition environment analysis.** At the same time, the purpose of the initiative is to improve the public services for businesses by ensuring free access to the information regarding the businesses registered in Moldova.

By making public the above-mentioned data, the proper implementation of the law nr. 305 dated December 26, 2012 regarding the public sector data reuse and law nr. 133 dated July 8, 2011 regarding the protection of personal data has been ensured, according to which, information of public interest has to be published on the [Open Data Government Portal](#) to allow search, reuse and exchange of data between businesses, government and civil society.

**The dataset contains information about over 204,000 entities, amongst which, more than 172,000 active.**
Launching electronic reporting at the National Bureau of Statistics

On November 11, 2014, the National Bureau of Statistics (NBS) launched the electronic reporting service. Online submission of statistical reports is beneficial for the businesses because it reduces the costs of compliance and waiting time. Also the NBS reduces processing time and thus improves the quality of statistics.

The e-reporting system can be used by accessing [www.raportare.md](http://www.raportare.md), where businesses can also submit reports to the National Medical Insurance Company and to the National Social Insurance House. Also, the State Tax Service launched the electronic business declarations service in 2008 and the Customs Service launched in 2014 the electronic declarations for streamlining the export and import procedures.

After the analysis of the reporting processes in Moldova conducted by the Secretariat of the Prime Minister’s Economic Council, the opportunity to promote this initiative has been identified. The development of the system was supported by the United States Agency for International Development and the Moldova state budget.

The use of online reporting significantly simplifies the reporting process and improves the business environment in Moldova.

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Substantial use of [www.finantare.gov.md](http://www.finantare.gov.md) platform

In its newsletter no.3, the Economic Council has acknowledged the launch of the information portal [www.finantare.gov.md](http://www.finantare.gov.md), aiming to inform the entrepreneurs about funding opportunities on concessional terms with financing from International Financing Institutions.

Currently the page [www.finantare.gov.md](http://www.finantare.gov.md) provides detailed information about 34 various schemes of preferential financing, and the cumulated amount of funding available directly to the private sector is of approximately 360 million EURO. Starting with August 4, 2014, when it was launched, the portal has been visited by nearly 10,000 unique visitors, and has registered over 25,000 views.

We encourage institutions and organizations implementing programs that provide financing to the private sector to contribute with information about new programs to be published on this platform. In the nearest future the permanent functioning of the portal will be regulated by a Government Decision.

The portal [www.finantare.gov.md](http://www.finantare.gov.md) ensures a better transparency of external financing and a better access of entrepreneurs to information about the financial resources available for business financing: for start-ups, business expansion, innovation and energy efficiency, and export promotion.

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Simplification of the procedure of obtaining the phytosanitary certificate to cut barriers to exports

Following the Economic Council meeting on September 9, 2014, Prime Minister Iurie Leancă requested the National Food Safety Agency (NFSA) to simplify the procedure of vegetal origin products export authorization. The purpose of this initiative is to diversify the local products’ export destinations and to increase the access of small and medium businesses to external markets by cutting red tape.
Therefore, in November 2014, the Ministry of Agriculture and Food Industry and NFSA, with the assistance of the Economic Council Secretariat, developed the Regulations on issuing the phytosanitary certificate for export and reexport in compliance with the One Stop Shop principle. According to the new procedures, four out of seven intermediary documents requested for applying for the certificate are not requested anymore from entrepreneurs. The time for issuing the certificate was reduced to 5 days. Thus, the new Regulations ensure the minimization of costs incurred by the Moldovan exporters and increases the export opportunities for small exporters.

At the moment, in order to obtain the phytosanitary certificate for export, the entrepreneurs have to submit only an application for the certificate, while the rest of the documents, such as the results of the phytosanitary inspection and certificate of quarantine investigations of the plants, being internalized. It is not compulsory anymore to present the copy of the tax invoice and the export contract in case this information was already submitted once to NFSA and is stored in the organization's ICT systems.

Additionally, the Prime Minister requested NFSA to establish procedures of information exchange between NSFA territorial offices, the Quarantine Center and Customs Service without the involvement of the entrepreneurs. The overarching objective of these initiatives is to set up the One Stop Shop for issuing phytosanitary certificate for export by submitting only the application form and obtain the certificate at any territorial NFSA office without numerous visits to different public authorities.

This initiative has the objective of ensuring equal and fair access to the external market to all Moldovan exporters regardless of the size of their business. The simplification of the procedure issuing permissive documents is in line with maintaining the appropriate safety and quality control. Burdensome procedures and excessive costs limit the access to the external markets, especially for small companies, most of which are concentrated in the agriculture and food sectors.

The Prime Minister Iurie Leancă has requested the Ministry of Finance, in collaboration with:

- State Tax Service ,
- Customs Service ,
- National Social Insurance House ,
- National Medical Insurance Company and
- National Bureau of Statistics

to develop a mechanism of issuing no-debts certificate in relations with the state budget, irrespective of the purpose for which this permissive act is being requested. This shall be issued by the State Tax Service upon the request from companies, without requiring them to visit other public authorities.

In such a way, the State Tax Service shall communicate directly with the institutions involved in the process, using direct access to their information resources.

At the same time, the Prime Minister has requested the amendment and adjustment of all internal regulations and normative acts regulating the procedures of issuing of the no-debts certificate, to correspond to new rules.

At the moment, the no-debts certificate is required for multiple purposes, including in the process of company liquidation, after a tax inspection was performed. As a precondition for the tax inspection, tax inspectors require companies to submit no-debts certificates from the Customs Service, National Social Insurance House, National Medical Insurance Company and “Statistica” Publishing House.

The procedure to obtain such certificates requires time and effort from companies, and represents a constraint to doing businesses.

This initiative has the purpose of ensuring a better implementation of the Law on “one-stop-shop” principle application to business environment no. 161 of 22.07.2011 (art.3) and improve the efficiency of information flows required for exercising the rights and obligations of companies in the process of starting, performing and closing a business.

The institutions covered above shall implement the requested actions before February 1, 2015, under the monitoring of the Prime Minister’s Economic Council.
Following consultations with the representatives of the business community at the Economic Council meeting in September 2014, the Prime Minister Iurie Leancă has requested the Ministry of Agriculture and Food Industry, Ministry of Health and National Food Safety Agency to simplify the procedures and reduce costs of testing and certification of agricultural and food products for export. This would facilitate the export of Moldovan products to foreign markets, and will reduce the costs incurred by entrepreneurs, which represents a serious impediment for small and medium enterprises.

**In such a way, before November 15, 2014, the above-mentioned Government institutions will do the following:**

- analyse the testing and certification costs for agricultural and food products paid to specialised laboratories, and re-evaluate the justification of these costs;
- propose actions which will reduce with at least 20% the costs incurred by companies which use the services of specialised laboratories subordinated to the above-mentioned institutions;
- identify solutions for increasing by at least 30% the validity terms of laboratory investigation results for samples and products representing a minimum risk to food safety and public health;
- optimise the procedure of sampling, sending samples to laboratories, sending the results, as well as minimise the number of visits required from the company representatives to laboratories. These shall also minimise the testing and certification terms for agricultural and food products for export.

A similar intervention, signaled during the previous meetings of the Prime Minister’s Economic Council, has already brought results in the area of wine testing and certification. In this area, starting with July 2014, costs have reduced with 30% (link to related article here).