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INFOBULLETIN

QUARTERLY REPORT | OCTOBER 2018

2018
JULY
SURVEY



HOW DO OUR MEMBERS SEE US?

THE ECONOMIC COUNCIL ONLY PROMOTES INITIATIVES THAT CORRESPOND TO THE INTERESTS OF THE BUSINESS ENVIRONMENT, BEST INTERNATIONAL PRACTICES AND WHICH ARE SUPPORTED BY THE INTERNATIONAL COMMUNITY.

More than 95 per cent of respondents to the opinion poll which included members of the Economic Council to the Prime Minister of Moldova agree with this. According to the same survey, over 98 percent of respondents believe that issues discussed within the Economic Council are relevant and current. More than 95 percent of survey respondents believe that confidence between the Government and business community has improved as a result of the Economic Council's work. About 94 percent of respondents agree that the Platform of the Economic Council ensures a truly multilateral involvement of all its members. Altogether, respondents to the survey had to answer 11 questions, which included among other things, the popularity of this platform within the business environ-

ment, the transparency of Council's work, and last but not least the need for the council work in the coming period. The survey has covered 71 out of 100 members of the Economic Council, including business associations, international organizations active in the field of business environment reforms, civil society, academia and state institutions. The opinion poll has been conducted during July 2018.

WORKING PROCESS

Digitizing relations between authorities and business in the loop of the Economic Council

On Aug. 10, 2018, a new ad-hoc working group of the Economic Council to the Prime Minister was launched. It was named "Digitizing relations between authorities and business." It will be responsible for promoting and monitoring the digitization processes of the services provided by the state, targeting any type of interaction of the businessmen with civil servants, starting with obtaining information held by the state and ending with issuing permissive documents. During the debates, participants launched a number of proposals, including the implementation of E-authorization in transport, creation of a single online registration platform for legal entities, creation of an electronic platform for access to public information and facilitating relations of economic operators with the state. The need to create an information portal about the economic opera-

tors in the country available to the general public was discussed. There were discussions about adjusting legislation where it is clearly stipulated what data about the entrepreneur may have a public character and the possibility of not publishing the changes to the charter and name of the company in the Official Gazette. A norm in the legislation should provide for the possibility of remotely opening and / or deregistering a business. A proposal made for the need to recognize the digital signatures of trusted providers from the EU (which are in line with the EIDAS Directive) so that they can open and operate businesses in Moldova.



THE PROCEDURE OF DECLARING THE VALUE OF GOODS IN CUSTOMS SHALL BE ESTABLISHED BY A REGULATION

Amendments to the Regulation on the procedure for the declaration of the value of goods in customs have been drafted by the Customs Service at the request of Business Associations members of the Economic Council. Among other things, the document also provides minimum requirements for the list of documents that the declarant should present to the customs officer in the process of customs clearance. Following this process another stage will follow. The Customs Service is working on a tool that will allow the transition from the first line to the second control line. The Customs Service is working on a tool that will allow the transition from the first line to the second control line.

This requires the application of risk-based methodologies which will result in the fluidity of customs clearance of goods and the creation of a more comfortable environment for good-faith importers. The document is to be finalized and completed along the way, after which it will be proposed to be aproved by the competent institutions and sent to the Government for approval. The subject has been in the loop of the platform since last summer when the business community alerted about a series of challenges in the process of customs valuation by customs employees. Business representatives then mentioned that often the value of the goods determined by the inspector far exceeds the cost of the product declared by the importer and the determination of the value for the same goods differs from one border crossing point to another. According to business representatives, customs officers do not apply a clear and transparent criterion when determining

the value of imported goods and do not argue in writing that they refuse to accept the value declared by the importer. Following the alert regarding this topic in the National Committee for Trade Facilitation, whose duties are exercised by the Economic Council, the subject has also come to the attention of IFC experts of the World Bank Group. They made an assessment of the situation on the ground and the legislation in the field, and submitted a report containing recommendations on best practice, including Community legislation. Based on the recommendations of international and national experts and those of the business environment presented during the meetings of the Economic Council and of the specialists of the Customs Service, amendments were made to the Regulation on the declaration of value of goods in customs.

FARMERS WILL HAVE FREE ACCESS TO WATER FOR IRRIGATION FROM WATER BASINS

THE FIRST DRAFT OF THIS PLAN, DEVELOPED BY THE MINISTRY OF AGRICULTURE, REGIONAL DEVELOPMENT AND ENVIRONMENT WAS DISCUSSED WITHIN THE ECONOMIC COUNCIL PLATFORM.

The document provides for 18 points. Among these, the document provides for the clarification on how water users can participate in the maintenance of hydrotechnical constructions during the operation of accumulation lakes / ponds. The limits for the special use of water volumes required for irrigation and fisheries for water users are also to be approved. On August 20, 2018 Government amended the Regulation for the use of accumulation lakes/ ponds, including the proposals of the business environment voiced within the Economic Council. This document provides that farmers have access to irrigation water from the irrigation ponds which were not allowed to irrigate their lands in lakes and ponds until this ammendment.

Small and medium-sized businesses selling their products on line say they are forced to bypass the law when they sell their goods to customers abroad. The reason lies in very complicated and costly customs procedures. The topic was discussed by the cross-border trade facilitation working group led by Mariana Rufa, Executive Director of the European Business Association. According to business representatives, small on line vendors of goods, such as craftsmen, self-employed, etc., are placed under the same conditions as large vendors who for their communication with the customs turn to brokers - whose services are paid for. Small entrepreneurs can not afford additional costs that increase the price of their product and consequently it is no longer required on the market. In order to simplify the export of small consignments sold over the Internet, Moldova's legislation needs to be aligned with the EU requirments. At the same time, a technical solution is required - the development of an additional module in the Asycuda World Customs Information System, and the establishment of temporary conditions to facilitate the international trade of SMEs in the EU market.

ON LINE VENDORS OF GOODS REQUIRE THE FACILITATION OF BUREAUCRATIC PROCEDURES IN THEIR TRADE



Mila Malairu, AmCham, executive director



Marina Rufa, EBA executive director



Alexandra Can, Employers' Association of Light Industry



A first draft of this law has been debated within Working Group 6 "Labor Market Development" from within the Economic Council. The draft law on apprenticeship and vocational training comes to help economic operators to train unskilled workers or those

The draft law comes in response to requests from economic operators who have identified a number of loopholes in the legislation governing the relationship between employer and apprentice. In the debates, representatives of business and state institutions came up with a number of proposals to improve this draft that both the state and the business community needs, the participants in the dialogue have said. The economic operators are facing an acute shortage of qualified labor force in Moldova. According to the National Employment Agency data,

almost 7 thousand jobs are currently available for people with vocational secondary education and unskilled workers. Workers in the textile and clothing industry remain the most sought after on the labor market. The draft Law on Apprenticeship and Vocational Training has been drafted at the request of the business environment with the support of local and international experts from the International Financial Corporation and the World Bank involved in the process at the request of the Economic Council Secretariat to the Prime Minister.

On September 12, 2018, the Government has passed a draft law through which the provisions of Law no. 200 of 16 July 2010 on the regime of aliens in the Republic of Moldova and Law no. 180-XVI of 10 July 2008 on labor migration will be put in a single law. The document will grant the right of representations to foreign legal persons, as well as to natural persons carrying out entrepreneurial activity to start the procedure for obtaining a residence permit for work purposes. These categories of beneficiaries cannot do this today. The draft law provides for a reduction in the time limit for the review of applications or the extension of the temporary right of residence for work purposes from 25 to 15 calen-



RESULTS
GREATER INCENTIVES
TO ATTRACT FOREIGN
INVESTMENTS IN MOLDOVA

dar days. At the same time, a migrant worker who works in Moldova and wants to change his job on the basis of a new contract will be able to extend the temporary residence right without being forced to leave the country and to enter the country repeatedly by presenting a new package of documents, as it is the case now. In the context of the implementation of the reform to facilitate the issuance of residence and work permits to foreigners initiated within the framework of the Economic Council platform and promoted at the end of last year, the Government called for a wider modification of procedures in this area to attract foreign investment. The draft law is to be submitted to Parliament for consideration.

THE DRAFT LAW ON
APPRENTICESHIP AND
PROFESSIONAL TRAINING
HAS BEEN DEVELOPED

PERSPECTIVES

THE ECONOMIC COUNCIL MAY CHANGE THE SOCIAL SITUATION IN THE COUNTRY THROUGH ECONOMIC DEVELOPMENT ONLY

This is the opinion of the Prime Minister of the Republic of Moldova and it was made public at the meeting on 1 August 2018. The event was attended by representatives of the business community and development partners. The Head of the Executive said that solutions were identified for reducing the number of permissive acts, reform of inspections, simplification of construction procedures, facilitation of the issuance of work and residence permits, amendments to the Labor Code on the platform of the Economic Council. Prime Minister Pavel Filip has called for a working group on the justice sector to be set up on the Council platform to analyze and overcome the current business constraints, which was also supported by the development partners. Representatives of business

associations appreciated the efficiency of the Council's work and its involvement in identifying solutions to the problems faced by entrepreneurs. They stated that they "have unprecedented collaboration with state institutions" and thanked for the political will manifested in supporting the initiatives that improve conditions for entrepreneurship.



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