

April 2023

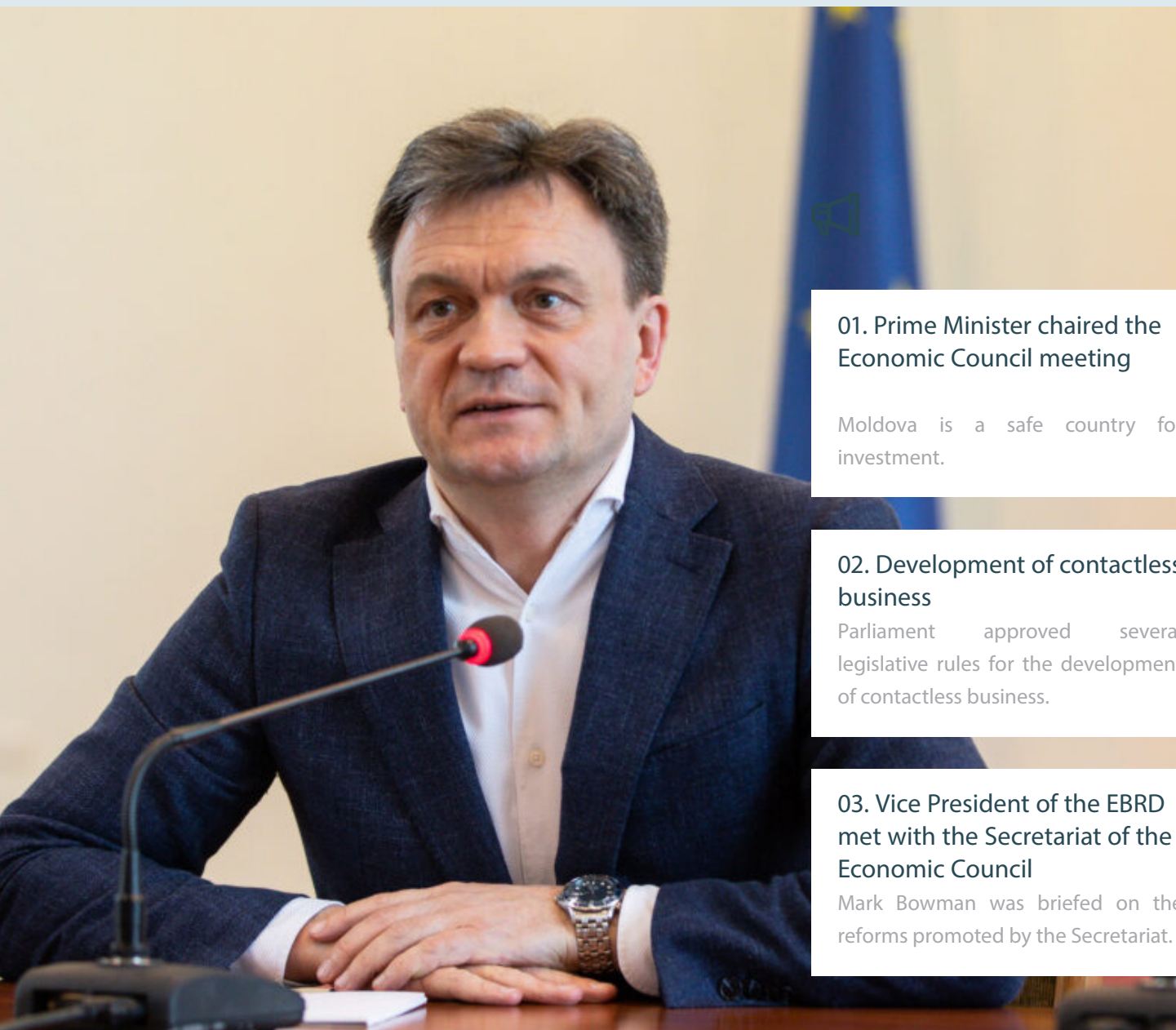
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Economic Council  
Secretariat

# INFOBULLETIN



The Secretariat of the Economic Council to the Prime Minister is supported by the European Bank for Reconstruction and Development, funded by the UK Government's Good Governance Fund, and the International Finance Corporation's Investment Climate Reform Project funded by the Government of Sweden's International Development Agency.



## 01. Prime Minister chaired the Economic Council meeting

Moldova is a safe country for investment.

## 02. Development of contactless business

Parliament approved several legislative rules for the development of contactless business.

## 03. Vice President of the EBRD met with the Secretariat of the Economic Council

Mark Bowman was briefed on the reforms promoted by the Secretariat.

# Prime Minister chaired the Economic Council meeting



members of the Prime Minister's Economic Council talked about the need to motivate employees, liberalise the labour market, support energy efficiency efforts of large companies and encourage start-ups. They also praised the authorities' efforts to promote the package of laws on digitisation and deregulation, which reduce red tape for entrepreneurs.

Prime Minister Dorin Recean chaired the plenary meeting of the Economic Council to the Prime Minister of Moldova with the participation of Deputy Prime Minister, Minister of Economic Development and Digitisation Dumitru Alaiba. In his speech, the Prime Minister spoke about the Government's mission to modernize and diversify the economy, to implement reforms for the benefit of economic growth, attracting foreign investment and promoting entrepreneurship.



The focus was also on stepping up efforts to increase exports, especially to the European Union, which is our country's largest trading partner. During the discussions, the constraints faced by the business environment, such as unfair competition, lack of skilled labour or access to health services, were addressed. At the same time,





# Parliament approved several legislative rules for the development of contactless business

Parliament has approved several legislative rules for the development of contactless business. One of the most important provisions is the completion of notarial acts at a contactless, electronically. This will make it possible to establish the identity and capacity of persons, read notarial acts and establish consent without physical interaction between the parties and the notary. At the same time, the draft proposes a list of notarial acts that cannot be performed electronically and remotely. Another provision of the draft is the obligation for some public service providers to

ensure the availability of their web pages, information, data and applications published in English. A number of interventions are also foreseen with regard to the employment of foreign nationals, without the need to obtain the right of residence for work purposes and the residence permit for work purposes. Foreigners who are employed according to the proposed procedure will be exempted from the obligation to pay state social security contributions and medical insurance premiums for foreigners. Social and medical insurance in this case is to be provided in their state


of residence, to avoid double taxation. The draft law on the amendment of some normative acts (development of remote business in the Republic of Moldova) is prepared by the Ministry of Economic Development and Digitisation, with the support of the Economic Council to the Prime Minister and USAID Moldova. The provisions on electronic notarial activity were developed jointly with the Ministry of Justice and the Chamber of Notaries. The draft will be put to the vote in the second reading.

## Draft law on facilitating business activity voted in first reading

The draft law on the modification of some normative acts, which provides for the facilitation of the business environment, was voted in the first reading. The amendments cover a number of areas of importance to the work of economic agents, aimed at reducing business costs and improving relations between

employers and employees. Most adjustments are in the area of labour relations. These include changes to the clauses on the scheduling of annual leave; the drawing up and keeping of internal rules of the establishment; the exclusion of the pre-employment contract and the requirement to give written notice to the employee of the starting

date of annual leave. Another important area is state control of entrepreneurial activity. It is proposed that, for the first 3 years of business activity, restrictive control measures will be reduced. The draft law on the amendment is prepared by the Ministry of Economic Development and Digitisation, with the support of the Economic Council.



# eKYC. eNotary .Universal Technology Platforms.

## Facilitating the business environment through digital means - eKYC and eNotary

A Memorandum of Understanding has been concluded between the Secretariat of the Economic Council to the Prime Minister and the eGovernment Agency. The document was signed electronically at the launch event of the joint project "Creation of eKYC and eNotary Universal Technology Platforms". It will be implemented by the eGovernment Agency with the support of the European Bank for Reconstruction and Development and the UK Government's Good Governance Fund. The eKYC universal technology platform enables remote customer identification – very important for business, but also for the public sector, where services are migrating online and their delivery requires remote identification of the individual. Electronic notarisation or eNotary

is also essential for investors at home and abroad, helping to reduce the cost and time spent on various transactions, which can be done online. At the end of last year the Economic Council Secretariat launched the Contactless Business Initiative in Moldova. Among other things, it envisages scanning the whole spectrum of public services for business in terms of their digitisation and digitising those that have been "forgotten". Ultimately this should enable investors, including from the diaspora, to open online and manage a business in Moldova from any corner of the world. An important component of this process is the creation in Moldova of the universal technology platforms eKYC and eNotary.



## e-commerce

### National e-commerce legislation has been updated according to the European model



The Parliament voted in final reading amendments that bring national legislation into line with current European practice in the field and remove a number of constraints that were hampering the development of e-commerce and enhancing the protection of consumer rights.

With today's vote, Members of Parliament made a series of amendments harmonising the domestic legal framework on domestic trade, completing it with provisions on e-commerce, concepts, notification procedures, definitions of business units without commercial premises, etc.

The amendments also aimed to adjust legislation on information society services, on entrepreneurship and business, on personal data protection and others.

According to the amendments to the Code of Offences, consumers of electronic services will benefit from protection when trading online, and the obligations of the parties to the online sale of alcoholic products and precious metals have been clarified.

The law was promoted by the Ministry of Economic Development and Digitisation and was drafted with the support of the Economic Council to the Prime Minister and USAID Moldova (FTA), and will enter into force in July this year.

# e-commerce

# Digital Economy

## Digital Economy Roadmap updated



The updated document contains 27 topics.

Among the priorities of the Digital Economy Roadmap for 2023 is the development of e-commerce through the development of the necessary infrastructure.

Another priority is facilitating online payments in Moldova, access to digital payment services and the development of courier services.

This was discussed at the meeting of the Advisory Council for the Digitisation of the Economy – iConsiliu, within the Economic Council to the Prime Minister of Moldova.

Another part of the Roadmap is

related, among other things, to the optimisation of tax and customs procedures for the digitisation of business and e-commerce, the facilitation of cashless payments and the promotion of e-invoicing and e-vouchers.

completed by the end of 2022. 14 are partially completed and another 13 are in the process of completion. Thus 72.5% of the actions in this document are completed.

### Important

According to the experts of the EC Secretariat, the new Roadmap also provides for actions to identify regulations in national legislation that discourage the development of the digital economy. At the same time, it aims to implement essential digital public services for business and diaspora.

It should be noted that the updated Digital Economy Roadmap was drafted as early as 2020 and contains topics alerted by business associations, members of the Economic Council.

Periodically that document is updated with new topics.

Of the 80 actions in the Digital Economy Roadmap, 41 have been

**The Digital Economy Roadmap can be downloaded from the page of the Economic Council to the Prime Minister of the Republic of Moldova: [consecon.gov.md](http://consecon.gov.md)**



# Women's Economic Empowerment



## State controls continue to be a barrier to business

Abuses by control bodies are a serious obstacle to business development and activity. Experts from the Alliance for Women's Economic Empowerment in Moldova came to this conclusion after meeting entrepreneurs in Straseni, Balti and Comrat. The information was presented to the Working Group on Women's Economic Empowerment and Gender Equality. Thus, according to representatives of the Alliance for Women's Economic Empowerment of the Republic of Moldova, the discussion with entrepreneurs also revealed that businesses, including women's businesses, especially

small and medium-sized ones, have limited access to information on financing opportunities and business advice. At the same time, there is a lack of awareness of supported employment programmes for people with disabilities and the related legal framework among rural businesses. And the lack of financial resources and working capital makes it difficult or even impossible for micro and small enterprises to pay VAT, especially on imported goods and services and on imported production equipment and machinery. The experts came up with a number of recommendations to the authorities,



including: suspension of state controls and cancellation of sanctions leading to the blocking of accounts, digitisation of business, support for the programme to encourage and consult micro and small enterprises in the field of e-commerce, making public-private dialogue more effective, systematic involvement and communication with business associations, etc.



# Waste management

## Waste management companies that pay the environmental pollution charge could benefit from compensation

The Ministry of Environment has drafted a draft law which, among other things, provides that economic agents that provide waste management and pay the environmental pollution tax in 2023 could be compensated by the state in 2024.



This was announced by Environment Minister Iordanca-Rodica Iordanov at the meeting of the Working Group on Facilitating Green Transition and Cross-Border Trade, led by the Executive Director of the European Business Association, Mariana Rufa.

According to the Environment Minister, the legal and technical modalities of this process are to be ensured by the regulatory framework that is currently being developed and will be presented to the Government and Parliament.

At the moment the law obliges all companies in Moldova who place packaged products on the market to pay the environmental pollution tax. However, some companies

individually or collectively manage waste, i.e. collect it from consumers, store it, recycle it or send it to specialised companies for processing. But they are still taxed for environmental pollution, along with other businesses that do not apply the so-called Extended Producer Responsibility (EPR) principle. Entrepreneurs are calling for this tax to be abolished for companies that apply the EPR principle. The state collects 200 million lei annually from the environmental pollution tax.







## Mark Bowman, Vice President of the European Bank for Reconstruction and Development met with experts of the Secretariat of the Economic Council to the Prime Minister

During the discussions, the EBRD Vice President wanted to learn more about the topics on the agenda of the Economic Council and the expectations of investors.

In this context, Mark Bowman was briefed on reforms related to the digital economy, promoting legislative changes aimed at modernising public services and stimulating digital transformation of both the public and private sectors.

Donor involvement and support in the process of strengthening the electronic identification system and creating the eKYC and eNotary technology platforms was discussed.

The experts also spoke about the reform of the regulatory framework for entrepreneurship, in which the Economic Council Secretariat is involved in the process of drafting legislative changes. Their aim is to reduce the requirements and bureaucracy that economic agents are today unduly obliged to comply with. The Vice-President of the European Bank for Reconstruction and Development, Mark Bowman, also praised the work of the Economic Council Secretariat to

the Prime Minister, underlined the importance of having an effective public-private dialogue platform to ensure continuous and fruitful communication between the business community and the Government.

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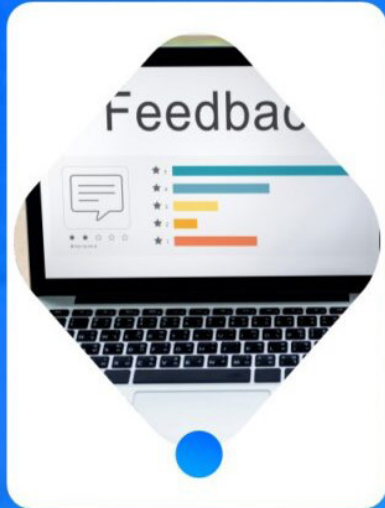
# annual survey



Members of the Economic Council to the Prime Minister of the Republic of Moldova appreciated the work of the platform they are part of, participating in an annual survey.



According to the survey, 97% of the 61 respondents who answered the questions in the questionnaire believe that the Economic Council continues to be a platform for non-partisan public-private dialogue.



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**WE HAVE COLLECTED FEEDBACK FROM:**

- 23 Business associations
- 22 State institutions
- 7 Representatives of the research community
- 9 International organizations, active in the area of regulatory reform

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97% of respondents believe that the platform promotes initiatives that are in line with the interests of business associations and international best practice. The survey data also shows that 91% of respondents believe that the Economic Council is an effective mechanism for promoting dialogue between the government and the business community. 92 percent of respondents say that the Economic Council is an essential tool in promoting economic reforms and it is important that it continues its work in the near future. The overall results as well as some opinions of the respondents to the survey can be found here. The survey of 122 members of the Economic Council to the Prime Minister of the Republic of Moldova was conducted between January and February 2022.

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