COMMITTEE OF EXPERTS ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES AND THE FINANCING OF TERRORISM (MONEYVAL)

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Report on Fourth Assessment Visit – *Annexes*

Anti-Money Laundering and Combating the Financing of Terrorism

REPUBLIC OF MOLDOVA

4 December 2012

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ANNEXES to the REPORT

ON THE 4th ASSESSMENT VISIT IN THE REPUBLIC OF MOLDOVA

Excerpt from the Constitution of the Republic of Moldova

Article 46 of the Constitution of the Republic of Moldova
The right to private property and its protection

(1) The right to private property, as well as the debts incurred by the State are guaranteed.
(2) No one can be expropriated except for a case of public utility, established according to the law, with a just and in advance compensation.
(3) The property acquired licitly cannot be confiscated. The licit character of the acquirement is presumed.
(4) The goods intended for, used and resulted from crimes or contraventions can be confiscated only in conformity with the provision of the law.
(5) The right to private property imposes the obligation to respect the duties regarding the protection of the environment and ensuring the good neighborhood relations, as well as other duties which, according to the law, fall on the owner.
(6) The right to inheritance of the private property is guaranteed.

CODES

- **Excerpts from the Criminal Code of the Republic of Moldova**

Article 11. Application of Criminal Law in Space

(1) All persons who committed crimes in the territory of the Republic of Moldova shall be held criminally liable under this Code.

(2) Citizens of the Republic of Moldova and stateless persons with permanent domiciles in the territory of the Republic of Moldova who commit crimes outside the territory of the country shall be liable for criminal responsibility hereunder.

(3) If not convicted in a foreign state, foreign citizens and stateless persons without permanent domiciles in the territory of the Republic of Moldova who commit crimes outside the territory of the Republic of Moldova shall be criminally liable under this Code and shall be subject to criminal liability in the territory of the Republic of Moldova provided that the crimes committed are adverse to the interests of the Republic of Moldova or to the peace and security of humanity, or constitute war crimes including crimes set forth in the international treaties to which the Republic of Moldova is a party.

(4) Criminal law shall not apply to crimes committed by the diplomatic representatives of foreign states or by other persons who under international treaties are not subject to the criminal jurisdiction of the Republic of Moldova.

(5) Crimes committed in the territorial waters or the air space of the Republic of Moldova are considered to be committed in the territory of the Republic of Moldova. The person who committed a crime on a sea craft or aircraft registered in a harbor or airport of the Republic of Moldova and located outside the water or air space of the Republic of Moldova, may be subject to criminal liability under this Code provided that the international treaties to which the Republic of Moldova is a party do not provide otherwise.

(6) Persons who commit crimes on board a military sea craft or aircraft belonging to the Republic of Moldova, irrespective of its location, shall be held criminally liable under this Code.

(7) Criminal punishments and criminal records for crimes committed outside the territory of the Republic of Moldova shall be taken into consideration hereunder in individualizing the punishment for a new crime committed by the same person on the territory of the Republic of Moldova as well as in settling issues related to amnesty in conditions of reciprocity based on a court decision.

[Art.11 completed by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 26. Preparation for a Crime

(1) The preparation for a crime shall be considered the preliminary agreement to commit the crime, the purchase, manufacture, or adjustment of devices or tools, or the intentional creation by other means of conditions for its commission, provided that due to reasons independent of the perpetrator's will, the crime failed to produce the expected effect.

(2) Only persons guilty of preparation for a less serious crime, serious crime, extremely serious crime, or exceptionally serious crime shall be subject to criminal liability.

Article 27. Attempt to Commit a Crime
The attempt to commit a crime shall be considered the intentional action or inaction directly oriented towards the commission of the crime, provided that due to reasons independent of the perpetrator's will, the crime failed to produce the expected effect.

Article 44. Simple Participation
The crime shall be considered committed with simple participation if two or more persons jointly took part in it as co-authors, each of them achieving the objective side of the crime.

Article 53. Exemption from Criminal Liability
A person who committed an act characterized by evidence of a criminal component may be exempted from criminal liability by a prosecutor during a criminal investigation or by a court during a case hearing in the following cases:
a) juveniles;
b) administrative liability;
c) voluntary abandonment of a crime;
d) active repentance;
e) situation change;
f) probation;
g) criminal liability limitation period.
[Art.53 completed by Law No. 292-XVI dated 21.12.2007, in force as of 08.02.2008]

Article 89. Definition and Categories of Exemption from Criminal Punishment
(1) Exemption from criminal punishment is the partial or total release of a person who committed a crime from the actual execution of criminal punishment provided by a court decision.
(2) Exemption from criminal punishment shall be done by means of:
a) conviction with a conditional suspension of execution of punishment;
b) conditional exemption from punishment prior to the term of expiration;
c) substitution of the unexecuted part of the punishment with a milder form of punishment;
d) exemption from punishment of juveniles;
e) exemption from punishment due to a situation change;
f) exemption from executing the punishment of seriously ill persons;
g) deferral of the execution of punishment for pregnant women and women who have children under the age of 8.

Article 134^2. In-Flight Aircraft and In-Service Aircraft
(1) An aircraft is in flight from the moment when following embarkation all the external doors of the aircraft are closed until the moment when one of these doors is opened for the purpose of debarkation. In the event of a forced landing, it shall be considered that the flight continues until the moment when competent authorities take responsibility for the aircraft, as well as the persons and goods onboard.

(2) An aircraft shall be considered in service from the moment when ground personnel or the crew start preparing the aircraft for a certain flight until 24 hours after any landing. The inservice period covers, in any case, the entire duration of the aircraft in flight.
[Art.134[2] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[3]. Fixed Platform
A fixed platform is an artificial island, an installation, or a facility permanently fixed to the sea bottom for the purpose of exploring and exploiting resources or for other economic goals.
[Art.134[3] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[4]. Explosive or Other Lethal Devices
An explosive or other lethal device is:
a) an explosive or incendiary weapon or device intended or able to cause death, serious bodily injury, serious damage to health, or essential material damage;
b) a weapon or device intended or able to cause death, serious bodily injury or damage to health, or essential material damage through the release, dispersion or action of toxic chemical substances, biological agents or toxins or other analogous substances, or radiation or radioactive substances.
[Art.134[4] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[5]. State or Government Object
A state or government object is a permanent or temporary asset or means of transport used or held by state representatives; members of the government, legislative or judiciary bodies;
officials or officers of a public authority or any other body or public institution; or officers or officials of an intergovernmental organization while exercising their professional duties.
[Art.134[5] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[6]. Infrastructure Object
An infrastructure object is any asset of public or private property providing or distributing services to the population such as: sewerage, water supply, energy supply, heat supply, or telecommunications.
[Art.134[6] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[7]. Public Facilities
A public facility is any part of the building, land, street, waterway, or any other place accessible or open to the permanent, periodic, or occasional public that also includes any commercial, cultural, historical, educational, religious, state, entertainment, recreation or any other facility accessible or open to the public.
[Art.134[7] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[8]. Nuclear Material
(1) Nuclear material means: plutonium, except for plutonium the isotopic concentration of which in plutonium-238 exceeds 80%; uranium 233; uranium enriched with uranium-235 or uranium-233 isotopes; uranium containing a mixture of isotopes that occurs in

nature in a form different from ore or ore residues; or any material containing one or many of the elements specified in this paragraph;
(2) Uranium enriched with uranium-235 or uranium-233 means uranium containing either uranium-235 or uranium-233 or both isotopes in such a quantity that the correlation between the sum of these two isotopes and isotope-238 exceeds the correlation between isotope-235 and isotope-238 in natural uranium.
[Art.134[8] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[9]. Nuclear Installation
A nuclear installation is:
a) an installation including related buildings and equipment where nuclear material is produced, processed, used, manipulated, stored, or buried provided that damage to or interference in its use may lead to the emission of a significant quantity of radiation or radioactive material;
b) any nuclear reactor including reactors installed on air, sea, road or railroad transport or on space objects to be used as an energy source for the propulsion of the aforementioned means of transport or space objects or for any other purposes;
c) any construction or any means of transport used for the production, storage, processing, or transportation of radioactive material.
[Art.134[9] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 134[10]. Radioactive Device
A radioactive device is:
a) any nuclear explosive device;
b) any device dispersing radioactive material or emitting radiation that due its radiological properties may cause death, serious bodily injury, or damage to health or essential damage to property or to the environment.
[Art.134[10] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 136. Ecocide
Deliberate mass destruction of flora and fauna, poisoning the atmosphere or water resources, and the commission of other acts that may cause or caused an ecological disaster shall be punished by imprisonment for 10 to 15 years.
[Art.136 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 137. Inhumane Treatment
(1) Subjecting persons by any methods to torture or inhumane treatment to deliberately cause severe pain or serious bodily injury or to damage the health of wounded or sick persons, prisoners, civilians, members of civil medical staff or members of the Red Cross and similar organizations, shipwrecked persons, as well as any other person fallen to an enemy or their subjection to medical, biological, or scientific experiments not justified by medical treatment to their benefit shall be punished by imprisonment for 8 to 15 years.
(2) The commission of one of the following acts against the persons specified in par. (1):
a) forced entry into military service in the armed forces of the enemy;
b) taking hostages;
c) deportation;
d) unlawful displacement or confinement;

e) conviction by an illegal court without a preliminary hearing and without observing the fundamental legal guarantees provided by law,
shall be punished by imprisonment for 12 to 20 years.
(3) The torture, mutilation, extermination, or execution without legal trial of the persons specified in par. (1) shall be punished by imprisonment for 16 to 20 years or by life imprisonment.
[Art.137 amended by Law No. .277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 140[1]. Use, Development, or Acquisition; Processing, Possession, Accumulation or Conservation; Direct or Indirect Transmission, Storage, or Transportation of Weapons of Mass-Destruction
(1) The use, development, or acquisition; the processing, possession, accumulation or conservation; the direct or indirect transmission, storage, or transportation of chemical weapons, biological weapons, nuclear weapons, nuclear explosive devices, or other weapons of mass-destruction that violate provisions of national legislation or of international treaties to which the Republic of Moldova is a party by a person shall be punished by a fine in the amount of 3000 to 5000 conventional units or by imprisonment for 8 to 12 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 8000 conventional units with the deprivation of the right to practice certain activities for 2 to 5 years or by its liquidation.
(2) The same actions
[Letter a) excluded by the Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) committed by an organized criminal group or by a criminal organization;
d) entailing especially large-scale damage;
e) entailing person's death
shall be punished by imprisonment for 16 to 20 years, whereas a legal entity shall be punished by a fine in the amount of 8000 to 10000 conventional units and by its liquidation.
(3) The design, production, or acquisition; the possession, storage, transmission, or transportation of equipment, material, software, or related technology essentially contributing to the design, production, or delivery of weapons of mass destruction, being aware that the equipment, material, software, or technology serve this purpose, shall be punished by a fine in the amount of 1000 to 3000 conventional units or by imprisonment for up to 5 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities for up to 5 years or by the liquidation of the legal entity.
(4) The design, production, or acquisition; the possession, storage, transmission or transportation of raw materials, special fissionable materials, equipment or material designed or prepared for processing; the use or production of the special fissionable material, being aware that this raw material, material, or equipment is intended for use in activities related to nuclear explosions or to other nuclear activities conflicting with international treaties to which the Republic of Moldova is a party shall be punished by imprisonment for up to 5 years with (or without) the deprivation of the right to hold

certain positions or to practice certain activities for 2 to 5 years, or by a fine applied to a legal entity in the amount of 4000 to 7000 conventional units with the deprivation of the right to practice certain activities for 2 to 5 years or by the liquidation of the legal entity.
[Art.140¹ amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.140¹ completed by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]
[Art.140¹ introduced by Law No. 30-XVI dated 23.02.06, in force as of 17.03.06]

Article 142. Attack on a Person Availing of International Protection
(1) The commission of a violent attack on the office, house, or means of transport of a person availing him or herself of international protection, provided that such an act may pose a threat to the life, health or freedom of the given person shall be punished by imprisonment for 5 to 10 years.
(2) Kidnapping or otherwise attacking a person availing him or herself of international protection or depriving them of their freedom shall be punished by imprisonment for 7 to 15 years.
(3) The murder of a person availing him or herself of international protection shall be punished by imprisonment for 16 to 20 years or by life imprisonment. (4) Actions specified in par. (1) or (2) committed for the purpose of unleashing war or an international conflict shall be punished by imprisonment for 8 to 15 years or by life imprisonment.
(5) The threat of committing an action provided in par. (1), (2), (3) or (4), if the danger that such a threat could be accomplished existed, shall be punished by imprisonment for 3 to 7 years.
[Art.142 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.142 in version of Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 145. Deliberate Murder
(1) The murder of a person shall be punished by imprisonment for 8 to 15 years.
(2) Murder
a) committed with premeditation;
b) committed for purposes of profit;
[Letter c) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
d) committed in connection with the performance by the victim of official or public duties;
e) of a person known to be a juvenile or a pregnant woman or committed by taking advantage of the victim's known or obvious helpless condition caused by advanced age, disease, physical, or mental handicap or another factor;
f) accompanied by kidnapping or taking the person hostage;
g) of two or more persons;
h) of a representative of a public authority or a serviceperson or their close relatives during or in connection with the performance of professional duties by the representative or the serviceperson;
i) committed by two or more persons;
j) committed with extreme cruelty or with sadistic motives;
k) committed in order to conceal another crime or to facilitate its commission;
l) committed from motives of social, racial, or religious hatred;
m) committed through means dangerous to life and health of many persons;

n) committed in order to remove and/or use or sell the victim's organs or tissues;
o) committed by a person who previously had committed an intentional murder set forth in par. (1);
p) committed by contract;
shall be punished by imprisonment for 12 to 20 years or by life imprisonment.
[Art.145 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 146. Murder in the Heat of Passion
A murder committed in the heat of passion that occurs suddenly and is caused by acts of violence or gross insults or other unlawful or immoral acts of the victim shall be punished by imprisonment for up to 5 years.
[Art.146 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.146 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 147. Infanticide
The murder of a newborn committed during childbirth or immediately thereafter by the mother in a state of physical or mental disorder with a disturbed consciousness caused by delivery shall be punished by imprisonment for up to 5 years.
[Art.147 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 148. Deprivation of Life upon a Person's Wish (Euthanasia)
The deprivation of a person's life in connection with his/her incurable disease or unbearable physical pain, provided it is victim's wish or, in the case of juveniles, the wish of their relatives shall be punished by imprisonment for up to 6 years.
[Art.148 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 151. Intentional Severe Bodily Injury or Damage to Health
(1) Intentional severe bodily injury or life-threatening damage to health or that caused the loss of sight, hearing, speech or another organ, or the cessation of its functioning, mental disease or some other form of health damage accompanied by the permanent loss of at least one-third of the capacity to work or resulting in a miscarriage or an incurable disfiguration of the face and/or adjacent areas shall be punished by imprisonment for 3 to 10 years.
(2) The same action committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) against a person known to be a juvenile or against a pregnant woman or by taking advantage of the victim's known or obvious helpless condition caused by advanced age, disease, physical, or mental handicap or another factor;
c) against a person in connection with his/her performance of official or public duties;
d) by two or more persons;
e) by mutilation or torture;
f) by methods dangerous to the lives and health of many persons;
g) for purposes of profit;
[Letter h) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
i) from motives of social, racial or religious hatred;
j) against two or more persons;
k) by an organized criminal group or a criminal organization;
l) in order to remove and/or use or sell the victim's organs or tissues;

m) by contract;
shall be punished by imprisonment for 5 to 12 years.
[Par. 3 art.151 excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
(4) The actions set forth in par. (1) or (2) that cause the death of the victim shall be punished by imprisonment for 8 to 15 years.
[Art.151 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 156. Severe or Less Severe Bodily Injury or Damage to Health Caused in the Heat of Passion
Severe or less severe bodily injury or damage to health caused in the heat of passion that occur suddenly and are caused by acts of violence or gross insults or other unlawful or immoral acts of the victim shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 3 years.
[Art.156 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.156 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.156 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 164. Kidnapping
(1) Kidnapping a person shall be punished by imprisonment for 2 to 6 years.
(2) The same action committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) against two or more persons;
c) against a person known to be a juvenile or against a pregnant woman or by taking advantage of the victim's known or obvious helpless condition caused by advanced age, disease, physical, or mental handicap or another factor;
[Letter d) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
e) by to or more persons;
f) for purposes of profit;
g) with the use of a weapon or another object used as a weapon,
shall be punished by imprisonment for 4 to 10 years.
(3) The actions set forth in par. (1) or (2):
a) committed by an organized criminal group or by a criminal organization;
b) that cause by imprudence severe bodily injury or damage to the health or the death of the victim,
shall be punished by imprisonment for 6 to 13 years.
[Art.164 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 164[1]. Kidnapping a Juvenile by Close Relatives
Kidnapping a juvenile by close relatives shall be punished by a fine of up to 300 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 6 months.
[Art.164[1] introduced by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 165. Trafficking in Human Beings
(1) The recruitment, transportation, transfer, concealment or receipt of a person, with or without his/her consent, for the purpose of commercial or non-commercial sexual exploitation, for forced labor or services, for begging, for slavery or similar conditions,

for use in armed conflicts or criminal activities, for the removal of human organs or tissues committed by:
a) the threat of physical or mental violence not dangerous to the person's life and health, including kidnapping, the seizure of documents, and servitude for the purpose of paying a debt, the amount of which was not set within a reasonable limit, as well as through the threat of disclosure of confidential information of the family of the victim or of other persons, both individuals and legal entities;
b) deception;
c) the abuse of vulnerability or abuse of power, giving or receiving payments or benefits to get the consent of a person controlling another person;
shall be punished by imprisonment for 5 to 12 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or the liquidation of the legal entity.
(2) The same actions committed:
a) by a person who previously committed an act set forth in par. (1);
b) against two or more persons;
c) against a pregnant woman;
d) by two or more persons;
e) by an official or a high-ranking official;
f) with violence dangerous to the person's life, physical or mental health;
g) with torture, inhumane or degrading treatment aimed at ensuring the person's subordination, or with the use of rape, physical dependence, or a weapon;
shall be punished by imprisonment for 7 to 15 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 7000 conventional units with the deprivation of the right to practice certain activities or the liquidation of the legal entity.
(3) The actions set forth in par. (1) or (2):
a) committed by an organized criminal group or by a criminal organization;
b) that cause severe bodily injury or a mental disorder, or the death or his/her suicide;
shall be punished by imprisonment for 10 to 20 years with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 7000 to 9000 conventional units with the deprivation of the right to practice certain activities or the liquidation of the legal entity.
(4) The victim of trafficking in human beings shall be exempted from criminal liability for any crimes committed by him/her in relation to this procedural status.
[Art.165 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.165 amended by Law No. 193-XVI dated 26.09.2008, in force as of 21.10.2008]
[Art.165 amended by Law No. 376-XVI dated 29.12.05, in force as of 31.01.06]
[Art.165 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 166. Illegal Deprivation of Liberty

(1) The illegal deprivation of the liberty of a person, if unrelated to the kidnapping of that person, shall be punished by community service for 120 to 240 hours or by imprisonment for up to 2 years.
(2) The same action committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) against two or more persons;
c) against a person known to be a juvenile or against a pregnant woman or by taking advantage of the victim's known or obvious helpless condition caused by advanced age, disease, physical or mental handicap or another factor;
d) by two or more persons;
e) with violence dangerous to the person's life or health;
f) with the use of a weapon or another object used as a weapon,
shall be punished by imprisonment for 2 to 7 years.
(3) The actions set forth in par. (1) or (2), provided that such actions caused severe bodily injury or damage to health or death of the victim shall be punished by imprisonment for 5 to 10 years.
[Art.166 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.166 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 167. Slavery and Conditions Similar to Slavery
Placing or keeping a person in conditions where another person owns him/her or forcing the person through deceit, coercion, violence or the threat of violence to enter into or remain in an extramarital or marital relationship shall be punished by imprisonment for 3 to 10 years with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years.
[Art.167 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 168. Forced Labor
Forcing a person to work against his/her will, keeping a person under servitude for paying off a debt, obtaining labor or services by means of deception, coercion, violence or the threat of violence shall be punished by imprisonment for up to 3 years.
[Art.168 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 186. Theft
(1) Theft, meaning the secret appropriation of another person's goods, shall be punished by a fine of up to 300 conventional units or by community service for 120 to 240 hours or by imprisonment for up to 2 years.
(2) Theft:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) committed by entry into a premises, storage area, or residence;
e) causing considerable damage;
shall be punished by a fine in the amount of 300 to 1000 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 4 years.
(3) Theft committed:
a) during a calamity;
b) by an organized criminal group or by a criminal organization;

shall be punished by imprisonment for 2 to 6 years with (or without) a fine in the amount of 1000 to 3000 conventional units.
(4) The actions mentioned in par. (1), (2) or (3) committed on a large-scale shall be punished by imprisonment for 5 to 10 years.
(5) The actions mentioned in par. (1), (2) or (3) committed on an especially large-scale shall be punished by imprisonment for 7 to 12 years.
[Art.186 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.186 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.186 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 187. Robbery
(1) Robbery, meaning the open appropriation of another person's goods, shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 3 years.
(2) Robbery:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) committed by a masked or disguised person or by a caricature of a person;
d) committed by entry into a premises, storage area, or residence;
e) committed with violence not dangerous to a person's life or health or with the threat of such violence;
f) causing considerable damage;
shall be punished by imprisonment for 3 to 6 years with (or without) a fine in the amount of 500 to 1000 conventional units.
(3) Robbery committed:
a) during a calamity;
b) by an organized criminal group or by a criminal organization;
shall be punished by imprisonment for 5 to 10 years.
(4) The actions mentioned in par. (1), (2) or (3) committed on a large scale shall be punished by imprisonment for 7 to 12 years.
(5) The actions mentioned in par. (1), (2) or (3) committed on an especially large scale shall be punished by imprisonment for 8 to 15 years.
[Art.187 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.187 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.187 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 188. Burglary
(1) Burglary, meaning an offence against a person aimed at the appropriation of goods involving violence dangerous to the life or health of the person attacked or the threat of such violence, shall be punished by imprisonment for 3 to 6 years with (or without) a fine in the amount of 400 to 1000 conventional units.
(2) Burglary:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) committed by a masked or disguised person or by a caricature of a person;
d) committed by entry into a premises, storage area, or residence;
e) committed with the use of weapons or other objects used as weapons;
f) causing considerable damage;

shall be punished by imprisonment for 6 to 10 years.
(3) Burglary committed:
a) during a calamity;
b) by an organized criminal group or a criminal organization;
c) causing severe bodily injury or damage to health;
d) by mutilation, torture, inhumane or degrading treatment;
shall be punished by imprisonment for 7 to 12 years.
(4) The actions mentioned in par. (1), (2) or (3) committed on a large scale shall be punished by imprisonment for 9 to 14 years.
(5) The actions mentioned in par. (1), (2) or (3) committed on an especially large scale shall be punished by imprisonment for 10 to 15 years.
[Art.188 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.188 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.188 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 189. Blackmail
(1) Blackmail, meaning the demand for the transmission of goods of the owner, possessor, or
holder or of the rights over such goods or for commission of other actions of a patrimonial
nature involving threats of violence against the person, his/her relatives or close persons, of
dissemination of defamatory information about these persons, or of the destruction of the
goods of the owner, possessor, holder, or of kidnapping the owner, possessor, holder, their
relatives or close persons shall be punished by a fine in the amount of 200 to 500 conventional
units or by imprisonment for up to 4 years.
(2) Blackmail:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) committed with violence not dangerous to life or health;
d) committed with a threat of death;
82
e) committed with the deterioration or destruction of goods,
shall be punished by imprisonment for 3 to 7 years with a fine in the amount of 500 to 1000
conventional units.
(3) The actions mentioned in par. (1) or (2):
a) committed by an organized criminal group or a criminal organization;
b) committed with the use of weapons or other objects used as weapons;
c) involving violence dangerous to life or health;
d) involving mutilation, torture, inhumane, or degrading treatment;
e) resulting in the receipt of the extorted goods;
f) causing other severe consequences;
shall be punished by imprisonment for 6 to 10 years with a fine in the amount of 1000 to 2000

conventional units.
(4) The actions mentioned in par. (1), (2) or (3) involving the kidnapping of the owner, possessor, or holder of the goods or of their relatives or close persons shall be punished by
imprisonment for 7 to 13 years.
(5) The actions mentioned in par. (1), (2), (3) or (4) committed on a large scale shall be punished by imprisonment for 9 to 13 years.
(6) The actions mentioned in par. (1), (2), (3) or (4) committed on an especially large scale
shall be punished by imprisonment for 10 to 15 years.
[Art.189 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.189 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 190. Fraud
(1) Fraud, meaning the unlawful appropriation of another person's goods by deception or abuse of trust, shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 120 to 240 hours or by imprisonment for up to 3 years.
(2) Fraud:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.200])
b) committed by two or more persons;
c) causing considerable damage;
d) committed by use of an official position;
shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for 2 to 6 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 3 years.
(3) Fraud committed by an organized criminal group or a criminal organization shall be punished by imprisonment for 4 to 8 years with (or without) a fine in the amount of 1000 to 3000 conventional units.
(4) The actions mentioned in par. (1), (2) or (3) committed on a large scale shall be punished by imprisonment from 7 to 10 years with the deprivation of the right to hold certain positions or to practice specific activities for up to 5 years.
(5) The actions mentioned in par. (1), (2) or (3) committed on an especially large scale shall be punished by imprisonment for 8 to 15 years with the deprivation of the right to hold certain positions or to practice specific activities for up to 5 years.
[Art.190 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.190 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 191. Appropriation of Another Person's Property
(1) The appropriation of another person's property, meaning the misappropriation of another person's goods entrusted into the administration of the guilty person shall be punished by a fine of up to 500 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 3 years.
(2) The appropriation of another person's property:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) causing considerable damage;

d) committed by use of an official position,
shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for 2 to 6 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years.
(3) The actions mentioned in par. (1) or (2) committed by an organized criminal group or a criminal organization shall be punished by imprisonment for 4 to 8 years with deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(4) The actions mentioned in par. (1), (2) or (3) committed on a large scale shall be punished by imprisonment from 7 to 12 years.
(5) The actions mentioned in par. (1), (2) or (3) committed on an especially large scale shall be punished by imprisonment for 8 to 15 years.
[Art.191 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 196. Causing Material Damage through Deception or Abuse of Trust
(1) Causing material damage on a large scale to an owner through deception or abuse of trust, provided that the act does not constitute a misappropriation, shall be punished by a fine of up to 200 conventional units or by community service for 180 to 240 hours, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(2) The same action committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons,
shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 2 years.
(3) The actions mentioned in par. (1) or (2) committed:
a) by an organized criminal group or a criminal organization;
[Letter b) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for up to 3 years.
(4) Causing material damage on an especially large scale through deception or abuse of trust, provided that the act does not constitute a misappropriation, shall be punished by a fine in the amount of 1000 to 2000 conventional units or by imprisonment for up to 3 years.
[Art.196 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.196 amended by Law No. 292-XVI dated 21.12.2007, in force as of 08.02.2008]
[Art.196 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.196 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 199. Acquisition or Marketing of Goods Known to Have Been Obtained by Criminal Means
(1) The acquisition or marketing of goods, without an advance promise, known to have been obtained by criminal means shall be punished by a fine in the amount of 200 to 400 conventional units or by community service for 120 to 180 hours.
(2) The same actions committed:
a) by two or more persons;
b) as a business;
c) on a large scale;

shall be punished by a fine in the amount of 300 to 600 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 3 years.
(3) The actions mentioned in par. (1) or par. (2) letters a) and b) committed on an especially large scale shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for up to 5 years.
[Art.199 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.199 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.200 excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.200 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 206. Trafficking in Children
(1) The recruitment, transportation, transfer, harboring, or receipt of a child, as well as giving or receiving payments or benefits to obtain the consent of the person who exerts control over the child for the purpose of:
a) commercial or non-commercial sexual exploitation in prostitution or a pornographic industry;
b) exploitation by forced labor or services;
b¹) practicing begging or other base purposes;
c) exploitation in slavery or in conditions similar to slavery including illegal adoption;
d) participating in armed conflicts;
e) participating in criminal activities;
f) removing human organs or tissues;
g) abandonment abroad;
h) sale or purchase;
shall be punished by imprisonment for 8 to 12 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(2) The same actions involving:
a) physical or mental violence, the use of weapons or the threat of their use;
b) sexual abuse and violence;
c) the abuse of authority or the child's vulnerability, the threat of disclosure of confidential information to the child's family or to other persons;
[Letters d), e) excluded by Law No. 235-XVI dated 08.11.2007, in force as of 07.12.2007]
f) the removal of human organs or tissues;
shall be punished by imprisonment for 10 to 15 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in amount of 5000 to 7000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(3) The actions set forth in par. (1) or (2):
a) committed by a person who has previously committed the same actions;
b) committed against two or more children;
c) committed by an official or by a high-ranking official;
d) committed by an organized criminal group or a criminal organization;
e) causing severe bodily injury or mental disorder of the child or his/her death or suicide;

f) committed against a child aged under 14,
shall be punished by imprisonment for 15 to 20 years with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years or with life imprisonment, whereas a legal entity shall be punished by a fine in the amount of 7000 to 9000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(4) A victim of trafficking in children shall be exempted from criminal liability for any crimes committed by him/her in relation to this procedural status.
[Art.206 amended by Law by 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.206 amended by Law No. 193-XVI dated 26.09.2008, in force as of 21.10.2008]
[Art.206 completed by Law No. 235-XVI dated 08.11.2007, in force as of 07.12.2007]
[Art.206 amended by Law No. 376-XVI dated 29.12.05, in force as of 31.01.06]
[Art.206 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 208. Involving Juveniles in Criminal Activity or Encouraging Them to Commit Immoral Acts
(1) Involving juveniles in criminal activity or encouraging them to commit crimes as well as inciting juveniles to immoral acts (e.g., begging, gambling, lust) committed by a person who has reached the age of 18 shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 150 to 200 hours or by imprisonment for up to 5 years.
(2) The same actions committed by the parents or other legal representatives of the child or by his/her teachers shall be punished by a fine in the amount of 300 to 700 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 6 years.
(3) The actions set forth in par. (1) or (2) committed:
a) with violence or the threat of violence;
b) with the involvement of juveniles in an organized criminal group or criminal organization;
c) with the involvement of juveniles in a crime of a terrorist nature,
shall be punished by imprisonment for 3 to 7 years.
[Art.208 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.208 completed by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 208[1]. Infantile Pornography
The production, distribution, broadcasting, import, export, offering, sale, exchange, use, or holding of pictures or of other images of one or more children involved in explicit, real, or simulated sexual activities or pictures or other images of genital organs of a child represented in a lustful or indecent manner including in a soft version shall be punished by imprisonment for 1 to 3 years whereas a legal entity shall be punished by a fine in the amount of 2000 to 4000 conventional units with the deprivation of the right to practice certain activities.
[Art.208[1] introduced by Law No. 235-XVI dated 08.11.2007, in force as of 07.12.2007]

Article 214[1]. Production and Marketing of Counterfeit Medicines
(1) The production or marketing of counterfeit medicines shall be punished by a fine in the amount of 1000 to 2000 conventional units with (or without) the deprivation of the

right hold certain positions or to practice certain activities for up to 3 years, whereas a legal entity
shall be punished by a fine in the amount of 3000 to 5000 conventional units with (or without) the deprivation of the right to practice certain activities for up to 3 years.
(2) The same actions that cause by imprudence severe or less severe damage to health or the death of the person shall be punished by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities for up to 5 years or by the liquidation of the legal entity.
[Art.214¹ introduced by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 217. Illegal Circulation of Narcotic or Psychotropic Substances or Analogs Thereof Not for the Purpose of Alienation
(1) The illegal sowing or cultivation of plants containing narcotic or psychotropic substances and the processing or use of such plants committed on a large scale not for the purpose of sale shall be punished by a fine in the amount of 200 to 400 conventional units or by community service for 100 hours, whereas a legal entity shall be punished by a fine in the amount of 2000 to 4000 conventional units with the deprivation of the right to practice certain activities or with the liquidation of the legal entity.
(2) The production, preparation, experimentation, extraction, processing, transformation, purchase, storage, dispatch, or transport of narcotic, psychotropic substances or analogs thereof, committed on a large scale not for the purpose of sale shall be punished by a fine in the amount of 400 to 700 conventional units or by community service for up to 150 hours or by imprisonment for up to 1 year, whereas a legal entity shall be punished by a fine in the amount of 4000 to 6000 conventional units with the deprivation of the right to practice certain activities or with the liquidation of the legal entity.
(3) The actions set forth in par. (1) or (2) committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
b¹) by a person who has reached the age of 18 with involvement of juveniles;
c) with the use of narcotic or psychotropic substances or analogs thereof, the circulation of which for medical purposes is prohibited;
d) by use of an official position;
e) on the territory of educational institutions, social rehabilitation institutions, penitentiaries, military units, recreation centers, places where juveniles and youth education and training or other cultural or sports events take place, or in immediate proximity thereto;
shall be punished by imprisonment for up to 4 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 6000 to 8000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(4) The actions set forth in par. (1), (2), or (3) committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) on an especially large scale shall be punished by imprisonment for 1 to 6 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 6000 to

10000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(5) The person who committed the actions set forth in art. 217 or 217[1] shall be exempted from criminal liability if he/she actively contributed to solving or preventing the crime related to the illegal circulation of narcotic and psychotropic substances or analogs thereof; indicated the source of the purchase of such substances; disclosed the persons who contributed to the commission of the crime; or provided information on money, goods, or revenues resulting from the crime. The seizure of narcotic or psychotropic substances or analogs thereof upon a person's detention or during a criminal investigation aimed at their discovery and seizure shall not be deemed a voluntary submission of such substances.
[Art.217 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.217 in version of the Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]
[Art.217 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 217[1]. Illegal Circulation of Narcotic or Psychotropic Substances or Analogs Thereof for the Purpose of Alienation
(1) Sowing or cultivating plants containing narcotic or psychotropic substances, the processing or use of such plants without authorization committed for the purpose of alienation shall be punished by a fine in the amount of 600 to 900 conventional units or by imprisonment for up to 2 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(2) The production, preparation, experimentation, extraction, processing, transformation, purchase, storage, dispatch, transport, distribution or other illegal operations involving narcotic or psychotropic substances or analogs thereof committed for the purpose of alienation or the illegal alienation of narcotic or psychotropic substances or analogs thereof shall be punished by imprisonment for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 4000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(3) The actions set forth in par. (1) or (2) committed:
a) by a person who has previously committed the same actions;
b) by two or more persons;
b$_1$) by a person who has reached the age of 18 with the involvement of juveniles;
c) with the use of narcotic or psychotropic substances or analogs thereof the circulation of which for medical purposes is prohibited;
d) by use of an official position;
e) on the territory of educational institutions, social rehabilitation institutions, penitentiaries, military units, recreation centers, places where juveniles and youth education and training or other cultural or sports events take place, or in immediate proximity thereto;
f) on a large scale;
shall be punished by imprisonment for 3 to 7 years with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 6000 to 8000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.

(4) The actions set forth in par. (1), (2) or (3) committed:
[Letter a) excluded by law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by an organized criminal group or a criminal organization or for the benefit thereof;
[Letter c) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
d) on an especially large scale;
shall be punished by imprisonment for 7 to 15 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 8000 to 10000 conventional units and the liquidation of the legal entity.
[Art.217¹ amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.217¹ introduced by Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]

Article 217². Illegal Circulation of Precursors for the Purpose of Producing or Processing Narcotic or Psychotropic Substances or Analogs Thereof
The production, preparation, processing, experimentation, purchase, storage, dispatch, transport, alienation or other operations involving precursors for the purpose of producing or processing narcotic or psychotropic substances or analogs thereof shall be punished by a fine in the amount of 800 to 1000 conventional units or by imprisonment for up to 2 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 7000 to 10000 conventional units with the deprivation of the right to practice a certain activity or by the liquidation of the legal entity.
[Art.217² amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.217² introduced by Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]

Article 217³. Illegal Circulation of Materials and Equipment Aimed at Producing or Processing of Narcotic or Psychotropic Substances or Analogs Thereof
(1) The production, preparation, purchase, storage, dispatch, transmission, transport, or alienation of materials or equipment aimed at producing, preparing or processing narcotic or psychotropic substances or analogs thereof or the cultivation of plants containing these substances shall be punished by a fine in the amount of 150 to 300 conventional units or by imprisonment for up to 2 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) with use of an official position,
shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for up to 3 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 2000 to 5000 conventional units with the deprivation of the right to practice certain activities.
(3) The actions set forth in par. (1) or (2) committed:
a) by an organized criminal group or a criminal organization or for the benefit thereof;
b) on the territory of educational institutions, social rehabilitation institutions, penitentiaries, military units, recreation centers, places where juveniles and youth

education and training or other cultural or sports events take place, or in immediate proximity thereto,

[Letter c) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

shall be punished by imprisonment for 2 to 5 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 6000 to 8000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.

[Art.217[3] amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

[Art.217[3] introduced by Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]

Article 217[4]. Theft or Extortion of Narcotic or Psychotropic Substances

(1) The theft or extortion of narcotic or psychotropic substances shall be punished by a fine in the amount of 300 to 2000 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 5 years.

(2) The same actions committed:

[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

b) by two or more persons;

c) with use of an official position;

d) by entry into a premises, storage area, or residence;

e) with violence not dangerous to the life and health of the person or with the threat of such violence;

f) on a large scale;

shall be punished by imprisonment for 3 to 8 years with (or without) a fine in the amount of 500 to 3000 conventional units.

(3) The actions set forth in par. (1) or (2) committed:

a) by an organized criminal group or a criminal organization or for the benefit thereof;

b) with violence dangerous to the life and health of the person or with the threat of such violence;

c) on an especially large scale;

shall be punished by imprisonment for 7 to 15 years with a fine in the amount of 1000 to 5000 conventional units.

[Art.217[4] amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

[Art.217[4] introduced by Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]

Article 217[5]. Illegal Public Consumption or the Organization of Illegal Consumption of Narcotic or Psychotropic Substances or Analogs Thereof

(1) The illegal consumption of narcotic or psychotropic substances or analogs thereof committed publicly or on the territory of educational institutions, social rehabilitation institutions, penitentiaries, military units, recreation centers, places where juveniles and youth education and training or other cultural or sports events take place, or in immediate proximity thereto shall be punished by a fine in the amount of 400 to 700 conventional units or by community service for 180 to 240 hours.

(2) The organization of the illegal consumption of narcotic or psychotropic substances shall be punished by a fine in the amount of 400 to 700 conventional units or by imprisonment for 2 to 5 years.

[Art.217[5] amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

[Art.217[5] introduced by Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]

Article 217[6]. Deliberate Illegal Introduction into the Body of Another Person, Against His/Her Will, of Narcotic or Psychotropic Substances or Analogs Thereof

(1) The deliberate, illegal introduction, irrespective of manner, into the body of another person against his/her will of narcotic or psychotropic substances or analogs thereof shall be punished by a fine in the amount of 400 to 700 conventional units or by community service for 150 to 200 hours or by imprisonment for up to 3 years.

(2) The same action committed:

[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

b) against two or more persons;

c) against a person known to be a juvenile or against a pregnant woman or taking advantage of the victim's known or obvious helpless condition caused by advanced age, disease, physical or mental handicap or another factor;

[Letter d) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

e) with the use of narcotic or psychotropic substances the circulation of which for medical purposes is prohibited,

shall be punished by imprisonment for 2 to 7 years.

[Art.217[6] amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

[Art.217[6] introduced by Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]

Article 218. Illegal Prescription of Narcotic or Psychotropic Substances or Violation of Circulation Rules

(1) The unnecessary prescription of narcotic or psychotropic preparations shall be punished by a fine in the amount of 200 to 800 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished with a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.

(2) The falsification of prescription or other documents allowing a person to obtain narcotic or psychotropic preparations and substances shall be punished by a fine in the amount of 200 to 400 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 1 year, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.

(3) The actions set forth in par. (1) or (2) committed:

[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

b) by two or more persons;

c) for the purpose of obtaining narcotic or psychotropic preparations or substances in especially large amounts;

shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for up to 5 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for a period of up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 10,000 conventional units and the liquidation of the legal entity.

(4) Violating established rules for the production, preparation, processing, purchase, storage, recording, release, alienation, distribution, transport, dispatch, use, import, export, or destruction of narcotic or psychotropic substances or materials or equipment

aimed at producing or processing of narcotic or psychotropic substances and the cultivation of plants containing narcotic or psychotropic substances that caused their loss committed by a person obliged to follow the aforementioned rules shall be punished by a fine in the amount of 300 to 600 conventional units or by imprisonment for up to 2 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 2000 to 4000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(5) The actions set forth in par. (4) committed for material interest or that cause by imprudence damage to the health of the person or that cause other severe consequences shall be punished by a fine in the amount of 600 to 1000 conventional units or by imprisonment for up to 5 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 4000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.218 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.218 amended by law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.218 amended by Law No. 277-XVI dated 04.11.05, in force as of 02.12.05]
[Art.218 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 220. Pimping
(1) Encouraging or inducing a person to practice prostitution or facilitating prostitution or gaining benefits from practicing prostitution by another person shall be punished by a fine in the amount of 200 to 800 conventional units or by imprisonment for 2 to 5 years.
(2) The same actions:
a) committed by an organized criminal group or a criminal organization;
[Letter b) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
c) committed against two or more persons;
d) committed with violence not dangerous to the life and health of the person or with the threat of such violence against the person practicing prostitution or his/her relatives or close persons;
shall be punished by imprisonment for 4 to 7 years.
[Art.220 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.220 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 223. Violation of Environmental Security Requirements
Violating environmental security requirements during the design, emplacement, construction, startup, and operation of industrial, agricultural, or scientific construction or other projects by persons responsible for following those regulations provided that such violations caused:
a) a significant increase in radiation levels;
b) damage to the population's health;
c) massive deaths of animals;
d) other severe consequences;
shall be punished by a fine in the amount of 300 to 600 conventional units or by imprisonment for 2 to 5 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal

entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.223 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 224. Violation of Rules on the Circulation of Radioactive, Bacteriological or Toxic Substances, Materials, and Waste

(1) Violating established rules related to the fabrication, import, export, burial, storage, transport, or use of radioactive, bacteriological, or toxic substances, materials, and waste including pesticides, herbicides, and other chemical substances, if they present a real threat to cause essential damage to the health of the population or to the environment shall be punished by a fine in the amount of 200 to 600 conventional units or by imprisonment for up to 3 years,
whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The same actions:
[Letter a) excluded by Law No.277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed in an area with an exceptional environmental situation or in an area prone to natural calamities;
c) resulting in polluting, poisoning or infecting the environment;
e) resulting in the massive deaths of animals,
shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(3) The actions set forth in par. (1) or (2) resulting by imprudence in:
a) massive infections of people;
b) the death of a person,
shall be punished by imprisonment for 3 to 7 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 10000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(4) The actions set forth in par. (1) resulting in death of two or more persons shall be punished by imprisonment for 5 to 10 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 10,000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.224 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.224 amended by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]
[Art.224 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.224 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 225. Concealment or Deliberate Submission of Inauthentic Data on Environment Pollution

(1) The concealment or deliberate submission by an official or a person administering a commercial, social, or other non-state organization as well as by a legal entity of inauthentic data on accidents resulting in excessive environmental pollution; in radioactive, chemical, or bacteriological pollution; or in other consequences dangerous to

the life or health of the population as well as data on the health of the population affected by environmental pollution,
if such actions cause by imprudence:
a) massive infections of people;
b) massive deaths of animals;
c) the death of a person;
d) other severe consequences;
shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for 3 to 7 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The same actions causing death of two or more persons shall be punished by imprisonment for 5 to 10 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.225 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 226. Failure to Perform Obligations to Eliminate Consequences of Ecological Violations
(1) The circumvention or improper performance by an official or a person administering a commercial, social or other non-state organization or by a legal entity of obligations on to eliminate the consequences of ecological violations, when causing by imprudence:
a) massive infections of people;
b) massive deaths of animals;
c) the death of a person;
d) other severe consequences;
shall be punished by a fine in the amount of 200 to 500 conventional units or by imprisonment for up to 5 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The same actions causing the death of two or more persons shall be punished by imprisonment for 3 to 7 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.226 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.226 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 227. Soil Pollution
(1) Effluence, poisoning, contamination, or any other pollution of soil with noxious products resulting from economic or other types of activity as a consequence of violating the rules on working with noxious substances, mineral fertilizers, fertilizers for plant growth, and other chemical or biological substances during the transportation, utilization, or storage thereof, when causing damage to:
a) the health of the population;
b) the environment;

c) agricultural production;
shall be punished by a fine in the amount of 200 to 500 conventional units or by imprisonment for up to 2 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The same actions:
a) committed in an area with an exceptional environmental situation or in an area prone to natural calamities;
b) followed by the death of a person by imprudence;
shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.227 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.227 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 228. Violation of Subsoil Protection Requirements
Violating requirements on the protection of mineral deposits or other resources in the subsoil, the unauthorized construction or dumping of toxic waste in areas with mineral resources, and the unauthorized disposal of noxious substances into the subsoil when causing:
a) the collapse of the land or landslides on a large scale;
b) the pollution of underground waters creating danger to the health of the population;
c) the death of a person by imprudence;
d) other severe consequences;
shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
[Art.228 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.228 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 229. Water Pollution
The infection or other contamination of surface or underground waters with used waters or other waste from industrial, agricultural, communal or other enterprises, institutions, or organizations when causing large-scale damage to the animal or vegetal world; to fishery, forestry, or agriculture; or to the health of the population, or causing the death of a person shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
[Art.229 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.229 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 230. Air Pollution
Pollution of the air by exceeding set norms as a result of emission into the atmosphere of pollutants or violating the rules for exploitation or failure to use equipment, devices, or

installations for purification and control of emissions into atmosphere if causing large-scale damage to the environment, animal and vegetal world, to the health of the population or the death of a person, shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
[Art.230 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.230 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 231. Illegal Cutting of Forest Vegetation
The illegal cutting of trees and bushes from the forestry fund or in natural areas protected by the state committed:
a) by persons responsible for the protection and security of forest vegetation;
b) on a scale exceeding 500 conventional units;
shall be punished by a fine in the amount of 500 to 1000 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 3 years, in all cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 3 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
[Art.231 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.231 amended by Law No. 292-XVI dated 21.12.2007, in force as of 08.02.2008]
[Art.231 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 232. Destroying or Damaging Woodlands
(1) Destroying or damaging on a large scale woodlands as a result of imprudent use of fire or other sources of excessive danger shall be punished by a fine in the amount of 200 to 600 conventional units or by community service for 120 to 240 hours or by imprisonment for up to 3 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The deliberate destruction or large-scale damage of woodlands by arson shall be punished by a fine in the amount of 300 and 1000 conventional units or by community service for 180 to 240 hours or by imprisonment for 3 to 7 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.232 amended by Law No. 292-XVI dated 21.12.2007, in force as of 08.02.2008]
[Art.232 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 233. Illegal Hunting
Hunting without proper authorization either during a period of the year when hunting is prohibited or in forbidden areas or using prohibited tools and methods (poaching) or using an official position if it causes damage exceeding 200 conventional units shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 3 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.

[Art.233 amended by Law No. 292-XVI dated 21.12.2007, in force as of 08.02.2008]
[Art.233 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 234. Illegal Fishing, Hunting or Other Exploitation of Waters

Illegal fishing, hunting or other exploitation of waters with the use of explosive or poisonous substances or by other means of mass destruction of fauna if causing damage exceeding 200 conventional units shall be punished by a fine in the amount of 200 to 700 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 1 year, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.

[Art.234 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.234 amended by Law No. 292-XVI dated 21.12.2007, in force as of 08.02.2008]
[Art.234 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.234 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 235. Violation of the Administrative and Protective Regime Applied to the Fund of Natural Areas Protected by State

Violation of the administrative and protective regime applied to the fund of natural areas protected by state when threatening to cause large-scale damage, or causing large-scale damage shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.

[Art.235 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.235 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 236. Production or Putting into Circulation of Counterfeit Money or Securities

(1) Production aimed at putting into circulation or putting into circulation of false banknotes of the National Bank of Moldova, coins, foreign currency, state securities, as well as other securities used for effecting payments shall be punished by imprisonment for 5 to 10 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.

(2) The same actions committed:

[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

b) by an organized criminal group or a criminal organization;

c) on an especially large scale;

shall be punished by imprisonment for 7 to 15 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.

[Art.236 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.236 amended by Law No. 231-XVI dated 02.11.2007, in force as of 23.11.2007]
[Art.236 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 237. Production or Putting into Circulation of False Cards or Other Pay Checks

(1) Production for the purpose of putting into circulation or putting into circulation of false cards or other pay checks that are not foreign currency or securities which however confirm, establish, or grant property rights or obligations shall be punished by a fine in the amount of 200 to 700 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by a clerk or other employee during the performance of their official duties;
c) by an organized criminal group or a criminal organization;
d) on an especially large scale;
shall be punished by imprisonment for 4 to 8 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.237 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.237 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.237 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 238. Obtaining Credit by Fraud
The deliberate submission of false information for the purpose of obtaining credit or increasing the amount thereof or obtaining credit on easy terms, provided that the financial institution incurred large-scale damage shall be punished by a fine in the amount of 1500 to 3000 conventional units or by imprisonment for 3 to 6 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
[Art.238 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.238 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 245. Abuses in Issuing Securities
(1) Inclusion in offering circulars or other documents based on which issuing securities is registered of inauthentic or misleading information or deliberate approval offering circulars that contain inauthentic or misleading information and the approval of the results of an obviously inauthentic issue, provided that such actions cause large-scale damage shall be punished by a fine in the amount of 1000 to 2000 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The same actions:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) causing damage on an especially large scale;
shall be punished by a fine in the amount of 2000 to 3000 conventional units or by imprisonment for 1 to 6 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the

deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.245 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.245 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.245 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 245[1]. Abuses in Activities of Real Estate Market Participants
(1) The activities of real estate market participants aimed at limiting the free circulation of real estate on the market, the commission of certain fraudulent actions or the performance of transactions with real estate by insiders for personal or third parties' interest availing of the insider's information, and the involvement in such actions of other real estate market participants provided that such actions caused large-scale damage shall be punished by a fine in the amount of 1000 to 2000 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(2) The same actions:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) that cause damages on an especially large scale
shall be punished by a fine in the amount of 2000 to 3000 conventional units or by imprisonment for 1 to 6 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity
shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.245[1] amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.245[1] introduced by Law No. 353-XVI dated 24.11.2006, in force as of 22.12.2006]

Article 245[2]. Violation of Legislation on Entering Data into the Movable Property Owners' Register
(1) Deliberate inclusion in the moveable property owners' register of inauthentic, distorted, or false information followed by the transfer of property rights to another person provided that such an action causes large-scale damage shall be punished by a fine in the amount of 1000 to 2000 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice a certain activity or by the liquidation of the legal entity.
(2) The same action committed by imprudence that causes especially large-scale damages shall be punished by a fine of up to 500 conventional units or by imprisonment for up to 2 years.
(3) The action described in par. (1):
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) that causes damages on an especially large scale

shall be punished by a fine in the amount of 2000 to 3000 conventional units or by imprisonment for 1 to 6 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 6000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity

[Art.245^2 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.245^2 introduced by Law No. 353-XVI dated 24.11.2006, in force as of 22.12.2006]

Article 246. Restricting Free Competition

Restricting free competition by signing an illegal agreement providing for the division of the market, restricting access to the market, eliminating other economic agents, and increasing or maintaining uniform prices provided that such actions lead to the gain of profit on an especially large scale or cause damages on an especially large scale to a third party shall be punished by a fine in the amount of 1000 to 2000 conventional units or by imprisonment for up to 3 years.

[Art.246 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.246 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.246 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 246^1. Unfair Competition

Any act of unfair competition including:

a) the creation by any means of confusion with the enterprise, products, or industrial or commercial activity of a competitor;

b) spreading in the course of trade of false statements discrediting the enterprise, products, or entrepreneurial activity of a competitor;

c) misleading the consumer about the nature of the mode of production, features, fitness for use or quantity of the competitor's goods;

d) the use of the trade name or trademark in a manner creating confusion with the ones legally used by another economic agent;

e) comparison for advertising purposes of produced or marketed goods of an economic agent with the goods other economic agents;

shall be punished by a fine in the amount of 1000 to 2000 conventional units or by imprisonment for up to 1 year, whereas a legal entity shall be punished by a fine in the amount of 3500 to 5000 conventional units with the deprivation of the right to practice certain activities for 1 to 5 years.

[Art.246^1 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.246^1 introduced by Law No. 110-XVI dated 27.04.2007, in force as of 08.06.2007]

Article 248. Smuggling

(1) Transportation on a large scale of goods, objects, and other valuables across the customs border of the Republic of Moldova circumventing customs control or concealing the goods from customs control by hiding them in compartments specially prepared or adjusted for this purpose or fraudulently using documents or other means of customs identification or involving the non-declarations or inauthentic declarations in customs documents or in other border-crossing documents shall be punished by a fine in the amount of 150 to 300 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 2 years, whereas a legal entity shall be punished by a fine in

the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities.
(2) The transportation of narcotic, psychotropic, toxic, poisonous, radioactive and explosive substances, and substances that produce strong effects, as well as noxious waste and doublepurpose products across the customs border of the Republic of Moldova circumventing customs control or concealing the goods from customs control by hiding them in compartments specially prepared or adjusted for this purpose or fraudulently using documents or other means of customs identification or involving non-declarations or inauthentic declarations in customs documents or in other border-crossing documents shall be punished by a fine in the amount of 200 to 600 conventional units or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(3) The transportation of weapons, explosive devices, and ammunition across the customs border of the Republic of Moldova circumventing customs control or concealing the goods from customs control by hiding them in compartments specially prepared or adjusted for this purpose or fraudulently using documents or other means of customs identification or involving non-declarations or inauthentic declarations in customs documents or in other border-crossing documents shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for 4 to 6 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 10,000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(4) The transportation of goods of cultural value across the customs border of the Republic of Moldova circumventing customs control or concealing the goods from customs control by hiding them in compartments specially prepared or adjusted for this purpose as well as the failure to return to the territory of the Republic of Moldova items of cultural value taken out of the country if their return is mandatory shall be punished by imprisonment for 3 to 8 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 10,000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(5) The actions set forth in par. (1), (2), (3) or (4) committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) by an official with the use of his/her official position;
d) on an especially large scale;
shall be punished by imprisonment for 3 to 10 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 10,000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
[Art.248 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.248 completed by Law No. 27-XVI dated 22.02.2008, in force as of 07.03.2008]
[Art.248 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.248 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 249. Evasion from Customs Payments

(1) Evading customs payments on a large scale shall be punished by a fine of up to 300 conventional units or by community service for 120 to 180 hours, whereas a legal entity shall be punished by a fine in the amount of 1000 to 2000 conventional units.
(2) The same action committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons
shall be punished by a fine in the amount of 300 to 500 conventional units or by community service for 180 to 240 hours, whereas a legal entity shall be punished by a fine in the amount of 1500 to 2000 conventional units.
(3) Evading customs payments on an especially large scale shall be punished by a fine in the amount of 500 to 1000 conventional units or by community service for 180 to 240 hours, whereas a legal entity shall be punished by a fine in the amount of 2000 to 5000 conventional units.
[Art.249 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.249 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 255. Deceiving Customers
(1) Exceeding established retail prices and the prices and rates for social and communal services provided to the population, deceit in calculations, or other forms of misleading customers committed on a large scale shall be punished by a fine of up to 300 conventional units or by community service for 100 to 240 hours, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) on an especially large scale;
shall be punished by a fine in the amount of 500 to 1000 conventional units with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
[Art.255 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.255 amended by Law No. 292-XVI dated 21.12.2007, in force as of 08.02.2008]
[Art.255 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 256. Receipt of an Illegal Remuneration for the Performance of Public Service Works
(1) Receipt through extortion by an employee who is not an official from an enterprise, institution, or organization of remuneration for the performance of work or the provision of services in the areas of trade, public nutrition, transportation, social services, medical or other work and services as part of the professional duties of this employee shall be punished by a fine of up to 200 conventional units or by community service for 120 to 180 hours.
(2) The same action committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) on a large scale;
shall be punished by a fine in the amount of 200 to 400 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 2 years.

[Art.256 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 275. Hijacking or Capturing a Train, Airplane, Sea Craft, or River Boat

(1) Hijacking, capturing or illegally controlling a train, aircraft, sea craft, or river boat or occupying a railway station, airport, sea or river port, or any other transport enterprise, institution, or organization as well as seizing cargo units with no purpose of appropriating them shall be punished by imprisonment for 5 to 10 years.

(2) The same actions:

a) committed by two or more persons;

b) involving violence or the threat of violence or another form of intimidation;

b^1) committed on an in-flight aircraft;

c) causing damage to a train, aircraft, sea craft, or river boat;

d) causing other severe consequences,

shall be punished by imprisonment for 7 to 15 years.

(3) The actions set forth in par. (1) or (2) that cause:

a) severe bodily injury or damage to health;

b) the death of a person;

shall be punished by imprisonment for 10 to 15 years.

[Art.275 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

[Art.275 amended by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 278[1]. Delivery, Placement, Triggering, or Detonation of an Explosive Device or of Any Other Device with Lethal Effect

(1) The delivery, placement, triggering, or detonation of an explosive device or any other device with a lethal effect in a public place, on state or government assets, in infrastructure or in the assets of the public transport system or committing these actions against the aforementioned places or assets in order to cause:

a) death or severe bodily injury or damage to health;

b) vital damage to the place, asset, or system,

shall be punished by imprisonment for 5 to 10 years.

(2) The same actions committed:

a) causing severe or less severe bodily injury or damage to health;

b) causing damage on a large scale or especially large scale;

shall be punished by imprisonment for 8 to 15 years.

(3) The actions set forth in par. (1) letter b) that cause by imprudence the death of a person shall be punished by imprisonment for 8 to 12 years.

(4) The actions set forth in par. (1), (2) or (3) committed by an organized criminal group or a criminal organization shall be punished by imprisonment for 12 to 18 years.

(5) The actions set forth in par. (1) involving intentional murder shall be punished by imprisonment for 16 to 20 years or by life imprisonment.

[Art.278[1] amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

[Art.278[1] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 279[1]. Recruiting, Training or Any Other Assistance for Purposes of Terrorism

(1) Recruiting for purposes of terrorism meaning requests addressed to another person to commit or to participate in the preparation or commission of a crime of a terrorist nature

or to associate with an organization or a group with that intention or knowing that this request is made in order to contribute to the commission of one or more crimes of a terrorist nature shall be punished by imprisonment for 3 to 8 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 7000 conventional units and by the liquidation of the legal entity.
(2) Training for purposes of terrorism meaning providing guidance on the fabrication or use of explosive devices or substances, weapons of mass destruction, radioactive devices or materials, firearms or other weapons or noxious or dangerous substances, or on other specific methods or techniques with the intention or knowing that such training is to contribute to the commission of one or more crimes of a terrorist nature shall be punished by imprisonment for 4 to 9 years with the deprivation of the right to hold certain positions or to practice a certain activity for 3 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 5000 to 8000 conventional units and by the liquidation of the legal entity.
(3) The purchase, storage, production, transportation, or supply of weapons, munitions, other destructive devices or means, of biological weapons, or of noxious or dangerous substances and assistance at state border-crossings, offering shelter, facilitating entering a limited-access zone, collecting and holding data for purposes of transmission, or offering data about target objects as well as rendering any other support in any form with the intention or knowing that such actions are to contribute to the commission of one or more crimes of a terrorist nature shall be punished by imprisonment for 5 to 10 years with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 7000 to 10,000 conventional units and the liquidation of the legal entity.
(4) The actions set forth in par. (1), (2) or (3) committed with use of an official position shall be punished by imprisonment for 7 to 15 years.
[Art.279$_1$ introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 279^2. Instigation for Purposes of Terrorism or Public Justification of Terrorism
(1) Instigation for purposes of terrorism meaning distributing a message or otherwise informing the public with the purpose to instigate or knowing that such a message can instigate the commission a crime of a terrorist nature shall be punished by a fine in the amount of 300 to 600 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 5 years, in all cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to practice certain activities for 2 to 5 years or by the liquidation of the legal entity.
(2) Public justification of terrorism meaning distributing a message or otherwise informing the public about an acknowledgement of an ideology or practice on committing crimes of a terrorist nature as being just and needed or to be supported or worth following shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 140 to 200 hours or by imprisonment for up to 4 years, in all cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years, whereas a legal entity shall be punished by a

fine in the amount of 800 to 2000 conventional units with the deprivation of the right to practice certain activities for 2 to 5 years or by the liquidation of the legal entity.
(3) The actions set forth in par. (1) or (2) committed:
a) through mass-media;
b) by using an official position;
shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for 2 to 5 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with (or without) the deprivation of the right to practice certain activities for 3 to 5 years or by the liquidation of the legal entity.
[Art.279$_2$ introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 280. Taking Hostages
(1) Taking or keeping a person hostage and threatening him/her with murder, with bodily injury, or with damage to his/her health or subsequently keeping the person hostage to force the state, international organization, legal entity, individual, or group of persons to commit or to refrain from committing an action as a condition for the release of the hostage shall be punished by imprisonment for 5 to 10 years.
(2) Taking of hostages:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) two or more persons;
c) persons known to be juveniles or pregnant women or taking advantage of the victims' known or obvious helpless condition caused by advanced age, disease, physical or mental handicap or another factor;
[Letter d) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
e) for purposes of profit;
f) using violence dangerous to the life or health of the person;
[Letter g) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
shall be punished by imprisonment for 6 to 12 years with (or without) a fine in the amount of 500 to 1000 conventional units.
(3) Taking hostages:
a) by an organized criminal group or a criminal organization;
b) causing severe bodily injury or damages to health;
c) causing by imprudence the victim's death;
d) causing other severe consequences;
shall be punished by imprisonment for 8 to 15 years.
[Art.280 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.280 amended by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 281. Deliberate Communication of False Information about an Act of Terrorism
Deliberate communication of false information about the preparation of explosions, arson, or other actions dangerous to human lives causing large-scale material damage or other severe consequences shall be punished by a fine in the amount of 200 to 500 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 2 years.
[Art.281 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

[Art.281 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 282. Establishment of an Illegal Paramilitary Unit or Participation Therein

(1) Establishing or managing a paramilitary unit not provided for by the legislation of the Republic of Moldova as well as participation in such a unit shall be punished by imprisonment for 2 to 7 years.

(2) A person who voluntarily abandons an illegal paramilitary unit and surrenders his/her weapons shall be exempted from criminal liability, provided that his/her actions do not contain the constitutive elements of another crime.

[Art.282 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 283. Banditry

The organization of armed criminal gangs to attack legal entities or individuals as well as participation in such gangs or in the attacks committed by them shall be punished by imprisonment for 7 to 15 years.

[Art.283 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 284. Creating or Leading a Criminal Organization

Creating or leading a criminal organization meaning the establishment of such an organization and organizing its activities or searching for and recruiting members for the criminal organization or organizing meetings of its members or creating financial and other funds for their financial support and for the criminal activity of the organization or providing the criminal organization with weapons and tools for the commission of crimes or organizing the collection of information on potential victims and the activities of law enforcement bodies or coordinating criminal plans and actions with other criminal organizations and groups of criminals both in the country and abroad shall be punished by imprisonment for 8 to 15 years.

(2) Creating or leading a criminal organization or an organized criminal group in order to commit one or more crimes of a terrorist nature shall be punished by imprisonment for 10 to 20 years or by life imprisonment.

[Art.284 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.284 completed by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 289. Piracy

(1) Robbery committed for personal purposes by the crew or passengers of a vessel against persons or goods located on that ship or on another ship if the ships are in the high seas or in other places outside the jurisdiction of any state shall be punished by imprisonment for 5 to 10 years.

(2) The same action:

[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

b) committed by an organized criminal group or a criminal organization;

c) committed with the use of weapons or other objects used as weapons;

d) causing by imprudence the death of a person;

e) causing other especially severe consequences;

shall be punished by imprisonment for 8 to 15 years.

[Art.289 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 289$_1$. Crimes against Aeronautic Security and Airport Security

(1) Acts that may endanger aeronautic security and airport security include:
a) an act of violence against a person onboard an in-flight aircraft if such an act may endanger aircraft security;
b) an act of violence against a person in an airport servicing civil aviation if such an act may endanger airport security;
c) the destruction of an in-service aircraft or causing this aircraft damage that disable it or that may endanger the aircraft's security in-flight;
d) the placement or an act that leads to the placement on an in-service aircraft by any means of a device or substance able to destroy the aircraft or to cause it damage that will disable it or that may endanger the aircraft's security in-flight;
e) the destruction or damage of an aeronautical installation or service or interference with its operation provided that such actions may endanger the security of an in-flight aircraft;
f) the destruction or damage of an airport installation or building serving civil aviation or of an out-of-service aircraft in an airport or interference with the airport's service operations if such actions may endanger airport security;
g) the deliberate provision of false information if such an action creates danger for inflight aircraft security;
shall be punished by imprisonment for 3 to 12 years.
(2) The same acts that cause by imprudence:
a) severe bodily injury or damage to health;
b) the death of a person;
c) other severe consequences;
shall be punished by imprisonment for 10 to 20 years.
(3) The acts set forth in par. (1) or (2) committed by an organized criminal group or a criminal organization shall be punished by imprisonment for 15 to 20 years or by life imprisonment.
[Art.289¹ amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.289¹ introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 290. Illegal Carrying, Storing, Purchasing, Producing, Repairing, or Marketing of Weapons and Ammunition and Their Theft
(1) The illegal carrying, storing, purchasing, producing, repairing, or marketing of firearms as well as the theft thereof, except for smooth-barrel hunting weapons, or of ammunition without proper authorization shall be punished by a fine in the amount of 300 to 600 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 3 years.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons shall be punished by imprisonment for 2 to 7 years.
(3) A person who voluntary surrenders firearms and ammunition possessed without proper authorization shall be exempt from criminal liability.
[Art.290 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.290 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 292. Production, Purchase, Processing, Storage, Transportation, Use, or Neutralization of Explosive Substances or of Radioactive Materials

(1) The production, purchase, processing, storage, transportation, use, or neutralization of explosive substances or radioactive materials without proper authorization or any other illegal operations on their circulation shall be punished by a fine in the amount of 300 to 800 conventional units or by imprisonment for up to 5 years, whereas a legal entity shall be punished by a fine in the amount of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(1^1) The same acts committed with nuclear material provided that such acts create the danger of causing death or severe bodily injury, damage to health, or vital damage to property or to the environment shall be punished by a fine in the amount of 600 to 1000 conventional units or by imprisonment for 3 to 7 years, whereas a legal entity shall be punished by a fine in the amount of 6000 to 8000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(2) The acts set forth in par. (1) or (1^1) that cause by imprudence:
a) the death of a person;
b) other severe consequences;
shall be punished by imprisonment for 5 to 10 years, whereas a legal entity shall be punished by a fine in the amount of 7000 to 10,000 conventional units and by the liquidation of the legal entity.
[Art.292 amended by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]
[Art.292 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 295. Theft of Radioactive Material or Devices or Nuclear Installations, the Threat of Theft, or Requests to Transmit Such Materials, Devices, or Installations
(1) The theft of radioactive material or devices or of a nuclear installation shall be punished by imprisonment for 4 to 8 years with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(2) Request to transmit radioactive material or devices or a nuclear installation involving the threat of violence or another form of intimidation shall be punished by imprisonment for 3 to 7 years.
(3) The actions set forth in par. (1) or (2) committed:
a) by two or more persons;
b) with the use of an official position;
c) with violence not dangerous to the life and health of a person;
shall be punished by imprisonment for 6 to 12 years with (or without) the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(4) An attack against a person aimed at stealing radioactive material or devices or a nuclear installation involving violence dangerous to the life and health of the person attacked or the threat of such violence shall be punished by imprisonment for 6 to 12 years.
(5) The actions set forth in par. (4) committed:
a) by two or more persons;
b) using weapons or other objects used as weapons;
c) causing severe bodily injury or damage to health;
shall be punished by imprisonment for 10 to 17 years.
(6) The actions set forth in par. (1), (2), (3), (4) or (5) committed:
a) by an organized criminal group or a criminal organization or for the benefit thereof;

b) on a large or especially large scale;
shall be punished by imprisonment for 12 to 20 years.
(7) The threat of theft of radioactive material or devices or of a nuclear installation in order to force the state, international organization, legal entity or individual to commit or to refrain from committing an action shall be punished by imprisonment for 2 to 5 years.
[Art.295 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.295 in version of Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]
[Art.295 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 295[1]. Possession, Production or Use of Radioactive Material or Devices or Nuclear Installations
(1) The possession of radioactive material or the production or possession of a radioactive device in order to cause death or severe bodily injury or damage to health or vital damage to property or to the environment shall be punished by imprisonment for 10 to 15 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(2) The use by any method of radioactive material or devices or a nuclear installation involving emissions or the danger of emissions from the radioactive material committed in order to:
a) cause death, severe bodily injury, damage to health, vital damage to property or to the environment;
b) force the state, international organization, legal entity, or individual to commit or refrain from committing an action;
shall be punished by imprisonment for 15 to 20 years with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years.
(3) A threat to commit an act set forth in par. (2) shall be punished by imprisonment for 2 to 5 years.
[Art.295[1] introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 295[2]. Attack against a Nuclear Installation
(1) Attacks against a nuclear installation or against a nuclear installation's operations shall be punished by imprisonment for 5 to 10 years.
(2) The same action committed:
a) by two or more persons;
b) with violence dangerous to the life and health of the person,
c) using a weapon or other objects used as weapons;
shall be punished by imprisonment for 7 to 15 years.
(3) The actions set forth in par. (1) or (2):
a) involving exposure to radiation or the emission of radioactive substances;
b) causing other severe consequences;
shall be punished by imprisonment for 12 to 20 years.
(4) A threat to commit an action set forth in par. (1) shall be punished by a fine in the amount of 300 to 600 conventional units or by community service for 180 to 240 hours or by imprisonment for 2 to 5 years.
(5) A threat to commit an action set forth in par. (1) in order to force the state, international
organization, legal entity, or individual to commit or to refrain from committing an action

shall be punished by imprisonment for 2 to 5 years.
[Art.295² introduced by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]

Article 324. Passive Corruption
(1) The act of an official of claiming or receiving offers, money, securities, other goods or material advantages or of accepting services, privileges or other advantages not due to him/her in order to undertake or not to undertake or to delay or to speedup an action related to his/her professional duties or to undertake an action contrary to such duties or to obtain distinctions, positions, access to markets or any other favorable decision from authorities
shall be punished by imprisonment for 3 to 7 years with a fine in the amount of 1000 to 3000 conventional units and with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) with the extortion of the goods or services listed in par. (1);
d) on a large scale;
shall be punished by imprisonment for 5 to 10 years with a fine in the amount of 1000 to 3000 conventional units and with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(3) The actions set forth in par. (1) or (2) committed:
a) by a high-ranking official;
b) on an especially large scale;
c) in the interest of an organized criminal group or a criminal organization;
shall be punished by imprisonment for 7 to 15 years with a fine in the amount of 1000 to 3000 conventional units with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years.
[Art.324 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.324 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 325. Active Corruption
(1) Promising, offering, or providing an official either personally or through an intermediary the goods or services listed in art. 324, for the purposes specified in the same article shall be punished by imprisonment for up to 5 years with a fine in amount of 1000 to 3000 conventional units.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) on a large scale;
shall be punished by imprisonment for 3 to 7 years with a fine in the amount of 1000 to 3000 conventional units.
(3) The actions set forth in par. (1) or (2) committed:
a) on an especially large scale;
b) in the interest of an organized criminal group or a criminal organization;
shall be punished by imprisonment for 6 to 12 years with a fine in the amount of 1000 to 3000 conventional units.

(4) The person who promised, offered, or provided the goods or services listed in art. 324 shall be exempt from criminal liability provided that the goods or services were extorted from him/her or if the person denounces himself/herself without knowing that criminal investigative bodies knew about the crime he/she committed.
[Art.325 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.325 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.325 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 326. Influence Peddling
(1) Receiving or extorting money, securities, other goods, or material advantages or accepting services, goods, or advantages either personally or through an intermediary for personal use or for another person committed deliberately by a person exerting influence or claiming to exert influence on a civil servant in order to make him/her undertake or not undertake actions that are part of his/her official duties irrespective of whether such actions were undertaken or not shall be punished by a fine in the amount of 500 to 1500 conventional units or by imprisonment for up to 3 years.
(2) The same actions followed by the promised influence or the achievement of the result sought and committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) with the receipt of goods or advantages on a large scale;
shall be punished by a fine in the amount of 1000 to 3000 conventional units or by imprisonment for 2 to 6 years.
(3) The actions set forth in par. (1) or (2) committed:
a) with the receipt of goods or advantages on an especially large scale;
b) in the interest of an organized criminal group or a criminal organization;
shall be punished by imprisonment for 3 to 7 years with a fine in the amount of 500 to 1500 conventional units.
[Art.326 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.326 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.326 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 327. Abuse of Power or Abuse of Official Position
(1) The deliberate use by an official of his/her official position for purposes of profit or other personal interests provided that such an action caused considerable damage to public interests or to the legally protected rights and interests of individuals or legal entities shall be punished by a fine in the amount of 150 to 400 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice a certain activity for up to 5 years.
(2) The same actions:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by a high-ranking official;
c) causing severe consequences;
shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for 2 to 6 years, in both cases with the deprivation of the right to hold certain positions or to practice a certain activity for up to 5 years.
(3) Abuse of power or abuse of an official position committed in the interest of an organized criminal group or a criminal organization shall be punished by imprisonment

for 3 to 7 years with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years.
[Art.327 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 332. Forgery of Public Documents
(1) Obviously false data entries in public documents or the forgery of such documents by an official or by a public servant who is not an official provided that such actions were committed for purposes of profit or for other personal interests shall be punished by a fine of up to 500 conventional units or by imprisonment for up to 2 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by a high-ranking official;
c) in the interests of an organized criminal group or a criminal organization;
shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for 1 to 6 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
[Art.332 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 333. Taking Bribes
(1) Taking bribes by a person administering a commercial, social, or other non-state organization in the form of money, securities, other goods, or material advantages or accepting services, privileges, or other advantages not due to him/her in order to undertake or not to undertake or to delay or to speedup an action in the interests of the briber or persons he/she is representing provided that such an action is part of the professional duties of the bribe taker shall be punished by a fine in the amount of 500 to 1500 conventional units or by imprisonment for up to 3 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for up to 5 years.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) with the extortion of the bribe;
d) on a large scale;
shall be punished by a fine in the amount of 1000 to 3000 conventional units or by imprisonment for 2 to 7 years, in both cases with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
(3) The actions set forth in par. (1) or (2) committed:
a) on an especially large scale;
b) in the interests of an organized criminal group or a criminal organization;
shall be punished by imprisonment for 3 to 10 years.
[Art.333 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.333 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 334. Giving Bribes

(1) Giving bribes shall be punished by a fine in the amount of 500 to 1000 conventional units or by imprisonment for up to 3 years.
(2) The same action committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) by two or more persons;
c) on a large scale;
shall be punished by a fine in the amount of 1000 to 2000 conventional units or by imprisonment for up to 5 years.
(3) The actions set forth in par. (1) or (2) committed:
a) on an especially large scale;
b) in the interests of an organized criminal group or a criminal organization;
shall be punished by imprisonment for 3 to 7 years.
(4) The bribe giver shall be exempt from criminal liability if the bribe was extorted from him/her or if he/she denounces himself/herself without knowing that criminal investigative bodies knew about the crime he/she committed.
[Art.334 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.334 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]
[Art.334 completed by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]

Article 335. Abuse of Official Positions
(1) The deliberate use of an official position by a person administering a commercial, social, or other non-state organization of his/her job position for purposes of profit or for other personal interests provided that such an action caused considerable damage to public interests or to the legally protected rights and interests of individuals or legal entities shall be punished by a fine in the amount of 150 to 400 conventional units or by imprisonment for up to 3 years.
(2) The same action committed by a notary or an auditor shall be punished by a fine in the amount of 500 to 800 conventional units or by imprisonment for up to 3 years, in both cases with (or without) the deprivation of the right to hold certain positions or to practice certain activities for up to 3 years.
(3) The actions set forth in par. (1) or (2):
a) committed in the interests of an organized criminal group or a criminal organization;
b) causing severe consequences;
shall be punished by imprisonment for 3 to 7 years with the deprivation of the right to hold certain positions or to practice certain activities for 2 to 5 years.
[Art.335 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.335 amended by Law No. 211-XV dated 29.05.03, in force as of 12.06.03]
[Art.336 excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 342. Attempt on the life of the President of the Republic of Moldova, the Chairperson of Parliament or the Prime Minister
An attempt on the life of the President of the Republic of Moldova, on the Chairperson of Parliament, or on the Prime Minister committed in order to cease their state or other political activities or as revenge for such activities shall be punished by imprisonment for 12 to 20 years or by life imprisonment.
[Art.342 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 343. Diversion

The commission in order to weaken the economic foundation and the defensive capacity of the country of explosions, arson, or other actions aimed at the mass extermination of people, bodily injury, or damage to health of many persons or the destruction or damage of enterprises, buildings, communication lines and means, or of other state or public goods and the commission for the same purposes of poisoning or of spreading epidemic and epizootic diseases shall be punished by imprisonment for 12 to 20 years.
[Art.343 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]

Article 361. Fabrication, Possession, Sale or Use of False Official Documents, Imprints, Stamps or Seals
(1) The fabrication, possession, sale, or use of false official documents granting rights or exempting obligations and the fabrication or sale of false imprints, stamps, or seals of enterprises, institutions, or organizations irrespective of their type of property or of the legal form of the organization shall be punished by fine of up to 300 conventional units or by community service for 150 to 200 hours or by imprisonment for up to 2 years.
(2) The same actions:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) committed by two or more persons;
c) committed with respect to an especially important document;
d) causing large-scale damage to public interests or to the legally protected rights and interests of individuals or legal entities;
shall be punished by a fine of 200 to 600 conventional units or by community service for 180 to 240 hours or by imprisonment for up to 5 years.
[Art.361 amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.361 amended by Law No. 184-XVI dated 29.06.2006, in force as of 11.08.2006]

Article 362[1]. Organization of Illegal Migration
(1) The organization in order to obtain directly or indirectly a financial or material gain from an illegal entry, stay, or transit on the state's territory or from an exit from this territory of a person who is neither a citizen, nor a resident of this state shall be punished by a fine of 300 to 500 conventional units or by imprisonment for 1 to 3 years with the deprivation of the right to hold certain positions or to practice certain activities for 1 to 3 years, whereas a legal entity shall be punished by a fine of 1000 to 2000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(2) The same actions committed:
[Letter a) excluded by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
b) against two or more persons;
c) by two or more persons;
shall be punished by a fine of 500 to 800 conventional units or by imprisonment for 3 to 5 years with the deprivation of the right to hold certain positions or to practice certain activities for 1 to 3 years, whereas a legal entity shall be punished by a fine of 2000 to 3000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.
(3) The actions set forth in par. (1) or (2):
a) committed by an organized criminal group or a criminal organization;

b) causing especially large damage to public interests or to the legally protected rights and interests of individuals and legal entities;
shall be punished by a fine of 800 to 1000 conventional units or by imprisonment for 5 to 7 years with the deprivation of the right to hold certain positions or to practice certain activities for 3 to 5 years, whereas a legal entity shall be punished by a fine of 3000 to 5000 conventional units with the deprivation of the right to practice certain activities or by the liquidation of the legal entity.

[Art.362¹ amended by Law No. 277-XVI dated 18.12.2008, in force as of 24.05.2009]
[Art.362¹ amended by Law No. 193-XVI din 26.09.2008, in force as of 21.10.2008]
[Art.362¹ introduced by Law No. 376-XVI dated 29.12.05, in force as of 31.01.06]

- **Excerpts from the Code of Criminal Procedure of the Republic of Moldova**

Article 126. Grounds for Seizing Objects or Documents
(1) The criminal investigative body shall have the right to seize any objects or documents important for the criminal case if the evidence obtained or the operative investigative materials refer precisely to the place and the person holding them.
(2) The seizure of documents containing information that is a state, trade, banking secret and the seizure of information on telephone conversations shall be allowed only upon the authorization of the investigative judge.
(3) The seizure of objects or documents in other circumstances shall be based on a reasoned ruling by the criminal investigative body.

Article 127. Persons Attending the Search for or Seizure of Objects and Documents
(1) If necessary, an interpreter or a specialist may participate in the search for or seizure of objects and documents.
(2) The presence of the person subject to a search or seizure or of his/her adult family members or of persons representing the interests of the person shall be secured during the search for or seizure of objects and documents. Should their presence be impossible, a representative of the executive authority of the local public administration shall be invited.
(3) Seizing objects and documents or searching the premises of institutions, enterprises, organizations military units shall be performed in the presence of the respective representatives thereof.
(4) Persons subject to a search for or the seizure of objects and documents and specialists, interpreters, representatives and defense counsels shall have the right to attend all the actions of the criminal investigative body and to make objections and statements to be recorded in the transcript thereof.

Article 128. Procedure for Searching for or Seizing Objects and Documents
(1) The seizure of objects or documents or searching for them during nighttime shall be prohibited, except in the case of flagrant crimes.
(2) The person conducting the criminal investigation shall have the right to enter a domicile or other premises based on an order on search or seizure of objects and documents based on the authorization of the investigative judge.
(3) Prior to a search for or seizure of objects and documents, the representative of the criminal investigative body shall hand over, against signature, to the person subject to a search or seizure a copy of the respective order.
(4) After locating objects and documents and upon presenting the order, the representative of the criminal investigative body shall request the submission of the objects or documents to be seized. If refused, he/she shall proceed to seize them by force. Should the objects or documents to be seized not be found at the place specified in the order, the person conducting the criminal investigation shall have the right to search for them elsewhere. The results of the search shall be submitted for verification to the investigative judge within 24 hours, in line with the provisions hereunder.

(5) By performing a search and upon presenting the order, the representative of the criminal investigative body shall request the submission of the objects and documents specified in the order. Financial institutions may not invoke banking secrets as a reason to refuse to submit the documents requested. Should the objects and documents be submitted voluntarily, the person conducting the criminal investigation shall be limited to their seizure and shall not undertake any other investigative measures.
(6) All the objects and documents seized shall be shown to all the persons attending the search or seizure. The objects and documents found during the search or seizure and prohibited from circulation shall be seized regardless of whether they are or are not related to the criminal case.
(7) By performing a search for or seizure of objects and documents, the person conducting the criminal investigation shall have the right to unlock locked premises and storehouses if the owner refuses to open them voluntarily while avoiding any unjustified damage of the goods.
(8) Technical means may be used during a search and a note to this effect shall be made in the transcript.
(9) The criminal investigative body shall undertake measures to exclude disclosure of any circumstances related to the intimate life of a person learned during a search or seizure.
(10) The person conducting the criminal investigation shall have the right to prohibit any persons present on the premises or at the search site and any persons who entered the premises or who came to that place from leaving or talking to each other or to other persons until the search is completed. If necessary, the premises or the search site may be placed under guard.
[Art.128 amended by Law No. 264-XVI dated 28.07.2006, in force as of 03.11.2006]

Article 129. Procedure for Searches or Seizures on the Premises of Diplomatic Missions
(1) A search or seizure on the premises of diplomatic missions including the premises where the diplomatic mission members and their families live may be performed only at the request or consent of the foreign state as expressed by the chief of the diplomatic mission. Consent for a search or seizure shall be requested by the Ministry of External Affairs and European Integration of the Republic of Moldova.
(2) When performing a search or seizure on the premises specified in para. (1), the presence of a prosecutor and of a representative of the Ministry of Foreign Affairs and European Integration of the Republic of Moldova shall be mandatory.
(3) A search for or seizure of objects and documents on the premises of diplomatic missions shall be performed in line with the provisions of this Code.
[Art.129 amended by Law No. 264-XVI dated 28.07.2006, in force as of 03.11.2006]

Article 130. Corporal Search and Seizure
(1) Should there be grounds to perform a search or seizure on the premises, the representative of the criminal investigative body may take any objects and documents important for the case found in the clothes, goods or on the body of the person subject to this criminal investigative action.
(2) A corporal search without an order and the authorization of the investigative judge may be allowed:
1) when capturing a suspect/accused/defendant;

2) when arresting a suspect/accused/defendant;
3) if there are sufficient grounds to assume that the person present on the premises subject to search or seizure may conceal in his/her clothes documents or other objects of evidentiary significance for the criminal case.
(3) A corporal search for or seizure of objects shall be performed by the representative of the criminal investigative body with the participation, as the case may be, of a specialist of the same sex as the person to be searched.

Article 131. Transcript of a Search or Seizure
(1) The representative of the criminal investigative body performing a search for or seizure of objects and documents shall prepare the transcript in line with the provisions in arts. 260 and 261. If in addition to the transcript a special list of seized objects and documents is prepared, such a list shall be attached to the transcript. The transcript of the search or seizure shall include a note that the persons present were explained their rights and obligations provided in this Code and any statements made by these persons.
(2) It shall be noted whether the objects and documents to be seized were submitted voluntarily or seized by force in addition to the place and the circumstances in which they were found. All the objects or documents seized shall be listed in the transcript or in an attached list specifying their exact number, size, quantity, characteristic elements and, to the extent possible, their value.
(3) If actions violating public order were undertaken during the search or seizure by the person subject to search or seizure or by other persons or if attempts were made to destroy or conceal the objects or documents searched for, the representative of the criminal investigative body shall record these actions in the transcript specifying, at the same time, any measures he/she undertook.
(4) The transcript of a search or seizure shall be brought to the notice of the persons participating in these procedural actions and attending such actions. This fact shall be confirmed by the signature of each of them on the transcript.
(5) The objects and documents seized shall be, to the extent possible, packed and sealed at the site of a search or seizure which shall be noted in the transcript. Any sealed packages shall be signed by the person who conducted the search or seizure.

Article 132. Mandatory Submission of Copies of the Transcript of a Search or Seizure
(1) A copy of the transcript of a search or seizure shall be handed over, against signature, to the persons subjected to these procedural actions or to an adult member of their family or in the absence thereof to a representative of the executive authority of the local public administration who shall be advised of the right and the manner of appeal against these procedural actions.
(2) Should a search or seizure be performed on the premises of an enterprise, institution, organization or a military unit, a copy of the transcript shall be handed over to their representatives.

Article 204. Goods Subject to Sequestration

(1) The goods of the suspect/accused/defendant, and of the civilly liable party may be subject to sequestration in cases provided for in the law irrespective of the nature of the goods and of the person keeping them.
(2) Goods of the suspect/accused/defendant that are the common property of spouses or the family may be subject to sequestration. Should there be enough evidence that this common property was obtained or expanded by criminal means, all such property of the spouse or family or its largest part may be subject to sequestration.
(3) Food products of the owner, the possessor of the goods and of their family members; fuel;
specialty literature; professional tools; tableware and kitchen utensils regularly used and of low value and other objects and essential goods may not be subject to sequestration, even though they can be subsequently sequestered.
(4) The goods of enterprises, institutions and organization except for the share of collective property that was illegally obtained and that may be separated without prejudicing their economic activity may not be subject to sequestration.

Article 205. Grounds for Sequestration
(1) Goods may be sequestered by a criminal investigative body or by the court only if the evidence collected supports the justified assumption that the suspect/accused/defendant or other persons keeping the goods subject to sequestration may conceal, damage or dispose of them.
(2) Sequestering goods shall be based on an order of a criminal investigative body and the authorization of an investigative judge or, as the case may be, on a court ruling. The prosecutor shall ex officio or at the request of a civil party address to the investigative judge a motion accompanied by the order of the criminal investigation body on the sequestration of goods. The investigative judge shall authorize in a resolution the sequestration of goods while the court shall decide on the requests of the civil party or of any other party, provided there is sufficient evidence to support the circumstances set forth in para. (1).
(3) The order of the criminal investigative body or, as the case may be, the court ruling on sequestering goods shall refer to material goods subject to sequestration to the extent such goods are established in the course of the investigation of the criminal case and the value of those goods is necessary and sufficient to secure a civil action.
(4) Should there be obvious doubt about the voluntary submission of goods to be sequestered, the investigative judge or, as the case may be, the court along with the authorization for sequestering material goods shall also authorize a search.
(5) In flagrant crimes or urgent cases, the criminal investigative body shall be entitled to sequester goods based on its own order without the authorization of the investigative judge who shall be mandatorily notified thereof immediately or not later than within 24 hours from the moment of this procedural action. Upon receipt of the respective information, the investigative judge shall verify the legality of the sequestration and confirm its results or shall declare it invalid. Should the sequestration be declared illegal, the investigative judge shall order the total or partial revocation of the sequestration.

Article 206. Assessing the Value of Goods to Be Sequestered

(1) The value of the goods to be sequestered shall be assessed based on the average market price in the respective locality, and no ratios shall be applied.
(2) The value of the goods sequestered to secure a civil action filed by a civil party or by the prosecutor shall not exceed the value of the civil action.
(3) By identifying the share of the goods to be sequestered of each of several accused persons or defendants or of several persons liable for their actions, the degree of these persons' participation in the commission of the crime shall be considered. The entire property of one of these persons may be sequestered to secure a civil action.

Article 207. Method for Executing an Order or a Judgment on Sequestering Goods
(1) A representative of a criminal investigative body shall hand, against signature, to the owner or possessor of the goods a copy of the order or the judgment on sequestering and submitting goods. If the owner or possessor refuses to voluntarily execute this requirement, the goods shall be sequestered forcibly. Should there be grounds to assume that the goods have been concealed by the owner or possessor, the criminal investigative body, having legal authority, shall be entitled to conduct a search.
(2) The sequestration of goods based on a court judgment issued upon the completion of a criminal investigation of the case shall be conducted by the enforcement agent.
(3) A merchandiser may be invited to participate in sequestering the goods to assess the approximate value of material goods and to avoid sequestering goods the value of which does not correspond to the value specified in the order of the criminal investigative body or in the court ruling.
(4) The owner or possessor of the goods present at the sequestration shall be entitled to specify which goods may be sequestered first to secure the amount specified in the order of the criminal investigative body or in the court judgment.
(5) The representative of the criminal investigative body shall prepare the transcript of the sequestration of goods in line with arts. 260 and 261, while the enforcement agent shall prepare the inventory of the goods sequestered. The transcript or, as the case may be, the inventory, shall in particular:
1) list all sequestered material goods by their quantity, measurement, or weight; the material they are made of and other individual elements and, to the extent possible, their value;
2) specify material goods seized and left for storage;
3) refer to the statements of the persons present and other persons about the ownership of the goods sequestered.
(6) A copy of the transcript or the inventory shall be handed, against signature, to the owner or possessor of the goods sequestered or in his/her absence to an adult member of his/her family or to a representative of the executive authority of the local public administration.
Upon sequestering goods located on the premises of an enterprise, organization or institution, a copy of the transcript or the inventory shall be handed, against signature, to a representative of the administration.

Article 208. Storage of Sequestered Goods
(1) Sequestered goods, as a rule, shall be seized, except for real property and large objects.

(2) Precious metals, precious stones and articles thereof; foreign currency; securities and bonds shall be transmitted for storage to the State Depositary of Valuables in the line with the set procedure; monetary amounts shall be deposited into the deposit account of the court competent to try the respective criminal case; other objects seized shall be sealed and kept by the criminal investigative body that moved that the goods be sequestered, or shall be transmitted for storage to a representative of the executive authority of the local public administration.
(3) Unsealed sequestered goods shall be sealed and left for storage by the owner or possessor or an adult member of his/her family who receives an explanation of the liability provided in art. 251 of the Criminal Code for the appropriation, alienation, substitution or concealment of these goods and who signs the written receipt.
[Art.208 amended by Law No. dated 05.07.2007, in force as of 27.07.2007]

Article 210. Revoking the Sequestration of Goods in a Criminal Proceeding
(1) The sequestration of goods shall be revoked by a decision of the criminal investigative body or of the court if the civil action is withdrawn, if there is a change in the legal qualification of the crime the suspect/accused/defendant is charged with or if due to other reasons there is no longer a need to keep the goods under sequestration. The court, the investigative judge or the prosecutor within the limits of their competence shall also revoke the sequestration of goods if they state that the sequestration is illegal because the criminal investigative bodies acted without the necessary authorization.
(2) Upon the request of a civil party or any other interested person to have material damage repaired under a civil procedure, the criminal investigative body or the court shall also be entitled to keep the goods under sequestration after the criminal proceeding is discontinued, the person is discharged or acquitted or for one month from the date the respective judgment became effective.

Article 269. Competence of the Criminal Investigative Body of the Center for Combating Economic Crimes and Corruption
(1) The criminal investigative body of the Center for Combating Economic Crimes and Corruption shall conduct criminal investigations of the crimes provided in arts. 236–261_1, 279, 324–326 and 330–336 of the Criminal Code and of the crimes provided in arts. 191, 195 and 327–329 of the Criminal Code only in cases when damage was caused exclusively to public authorities and institutions, to state enterprises or to the national public budget.
(2) The criminal investigative body of the Center for Combating Economic Crimes and Corruption shall conduct, under the control of a prosecutor, criminal investigations of crimes referred to its competence irrespective of the capacity of their subject except for the crimes and persons specified in art. 270 para. (1) point 1) letters a), f) and h) and points 2) and 3).
[Art.269 completed by Law No. 136-XVI dated 19.06.2008, in force as of 08.08.2008]
[Art.269 in version of Law No. 264-XVI dated 28.07.2006, in force as of 03.11.2006]

Article 274. Initiating a Criminal Investigation
(1) A criminal investigative body notified in the manner provided in arts. 262 and 273 shall decide in an order to initiate the criminal investigation provided that a reasonable suspicion that a crime has been committed and absence of circumstances excluding the

criminal investigation result from the notification or from the establishing acts. The person who made the notification or the respective body shall be informed thereof.
(2) Should a criminal investigative body initiate a criminal investigation on its own initiative, it shall prepare the transcript describing the established facts related to the crime detected and afterwards shall order a criminal investigation.
(3) The order to initiate a criminal investigation issued by a criminal investigative body within 24 hours from the date the criminal investigation was initiated shall be subject to confirmation by the prosecutor managing the criminal investigation. The respective case file shall be also submitted. Along with the confirmation of the initiation of a criminal investigation, the prosecutor shall set a timeframe for the criminal investigation of the corresponding case.
(4) Should a factor preventing the initiation of a criminal investigation result from the contents of the notification, the criminal investigative body shall send to the prosecutor the prepared documents along with the proposal not to initiate the criminal investigation. Should the prosecutor establish that there are no circumstances preventing the initiation of the investigation, he/she shall return the documents with his/her order to the aforementioned body to initiate the criminal investigation.
(5) Should the prosecutor refuse to initiate a criminal investigation, he/she shall confirm the refusal in a reasoned order and shall notify thereof the person who filed the notification.
Should the prosecutor consider that there are no grounds for initiating a criminal investigation, he/she shall not confirm the order to initiate the investigation and shall abrogate it in his/her order provided no procedural actions were undertaken, or shall decide to terminate the criminal investigation if such actions were undertaken.
(6) The order to refuse to initiate a criminal investigation may be appealed to the court in line with the provisions in art. 313.
(7) Should it be subsequently established that the circumstance substantiating the proposal to refuse to initiate a criminal investigation did not exist or is no longer present, a higher-level prosecutor shall cancel the order and shall order the initiation of the criminal investigation.
[Art.274 amended by Law No. 264-XVI dated 28.07.2006, in force as of 03.11.2006]

Article 313. Complaints about the Actions and Illegal Acts of a Criminal Investigative Body and the Body Performing Operative Investigative Activities
(1) Complaints about the actions and illegal acts of a criminal investigative body or of the body performing operative investigative activities may be filed with the investigative judge by the suspect/accused, the defense counsel, the injured party, other participants in the proceeding or other persons whose legal rights and interests were violated by these bodies provided that the person filing the complaint disagrees with the result of an examination of his/her complaint by the prosecutor or did not get a response to his/her complaint from the prosecutor within the timeframe provided by law.
(2) The persons specified in para. (1) shall be entitled to appeal to the investigative judge:
1) a refusal of the complaint by the criminal investigative body:
a) to accept the complaint or denunciation on the preparation or the commission of a crime;
b) to satisfy the motion in cases provided by law;
c) to initiate a criminal investigation;

2) orders terminating criminal investigations, dismissing a criminal case or discharging a person from a criminal investigation;
3) other actions affecting the constitutional rights and freedoms of a person.
(3) A complaint may be filed within 10 days with the investigative judge at the location of the body that committed the violation.
(4) A complaint shall be examined by the investigative judge within 10 days and the prosecutor shall participate and the person who filed the complaint shall be summoned. Failure to appear by the person who filed the complaint shall not prevent an examination of the complaint. The prosecutor shall be obliged to submit to the court the respective materials. The prosecutor and the person who filed the complaint shall provide explanations during the examination of the complaint.
(5) The investigative judge, considering that the complaint is reasoned, shall issue a ruling obliging the prosecutor to eliminate violations discovered of the rights and freedoms of the individual or the legal entity and, as the case may be, shall declare the nullity of the procedural act or action appealed. Upon establishing that the acts and actions appealed were performed in line with the law and that the rights and freedoms of the individual or the legal entity were not violated, the investigative judge shall issue a ruling rejecting the complaint filed. A copy of the ruling shall be sent to the person who filed the complaint and to the prosecutor.
(6) The ruling of the investigative judge shall be irrevocable.
[Art.313 amended by Law No. 264-XVI dated 28.07.2006, in force as of 03.11.2006]

Article 396. The Dispositive Part of a Sentence of Acquittal or to Terminate a Criminal Proceeding
The dispositive part of a sentence of acquittal or to terminate a criminal proceeding shall include:
1) the last name, first name and patronymic of the defendant;
2) the decision to acquit the defendant or to terminate the criminal proceeding and the reasons substantiating the acquittal or the termination;
3) the decision to revoke a preventive measure, if any;
4) the decision to revoke measures securing a civil action or an eventual special confiscation of goods, if any.

Article 531. Legal Regulations on International Legal Assistance
(1) Relationships with foreign countries or international courts related to legal assistance on criminal matters shall be regulated by this Chapter and the provisions of the Law on International Legal Assistance on Criminal Matters. The provisions of the international treaties to which the Republic of Moldova is party and other international obligations of the Republic of Moldova shall have precedence over the provisions of this Chapter.
(2) If the Republic of Moldova is a party to several international acts on legal assistance also signed by the state from which the legal assistance is requested or by the state requesting it, and if there are discrepancies or incompatibilities between the norms of these acts, the provisions of the treaty ensuing the more beneficial protection of human rights and freedoms shall apply.
(3) The Ministry of Justice may decide not to execute a court judgment accepting international legal assistance if fundamental national interests are being discussed. This

authority shall be exercised in view of respecting the rights of the parties in the proceedings by executing the judgments pronounced in their favor.
[Art.531 amended by Law No.48-XVI dated 07.03.2008, in force as of 15.04.2008]
[Art.531 amended by Law No.264-XVI dated 28.07.2006, in force as of 03.11.2006]

Article 532. Manner for Transmitting Requests for Legal Assistance
Requests for international legal assistance on criminal matters shall be filed via the Ministry of Justice or the General Prosecutor's Office directly and/or via the Ministry of Foreign Affairs of the Republic of Moldova, unless a different manner of filing requests is provided based on reciprocity.
[Art.532 amended by Law No.48-XVI dated 07.03.2008, in force as of 15.04.2008]

Article 533. Volume of Legal Assistance
(1) International legal assistance may be requested or provided in the performance of certain procedural activities provided in the criminal procedural legislation of the Republic of Moldova and of the respective foreign state in particular:
1) notifying individuals or legal entities abroad about procedural acts or court judgments;
2) hearing persons as witnesses, suspects, accused, defendants, civilly liable parties;
3) on-site investigations, searches, seizures of objects and documents and their transmission abroad, sequestration, confrontations, presenting for identification, identification of telephone subscribers, wiretapping, expert reports, confiscation of goods obtained from the commission of crimes and other criminal investigative actions provided by this Code;
4) summoning witnesses, experts or persons pursued by criminal investigative bodies or by the court;
5) taking over the criminal investigation upon the request of a foreign state;
6) searching for and extraditing persons who committed crimes or to serve a punishment depriving them of liberty;
7) acknowledging and executing foreign sentences;
8) transferring convicts;
8^1) submitting information on criminal histories;
9) other actions not contradicting this Code.
(2) Preventive measures shall not constitute the object of international legal assistance.
[Art.533 amended by Law No.48-XVI dated 07.03.2008, in force as of 15.04.2008]

Article 534. Rejecting International Legal Assistance
(1) International legal assistance may be rejected if:
1) the request refers to crimes considered in the Republic of Moldova political crimes or crimes related to such crimes. The rejection shall not be admitted if a person is suspected, accused or was convicted for the commission of certain acts provided in arts. 5–8 of the Rome Statute of the International Criminal Court;
2) the request refers to an act exclusively constituting a violation of military discipline;
3) the criminal investigative body or the court to which the request for legal assistance was addressed considers that its execution is of a nature to affect the sovereignty, security or public order of the state;
4) there are grounds for believing that the suspect is being criminally pursued or punished due to his/her race, religion, citizenship, association with a certain group or certain

political beliefs, or if his/her situation will be exacerbated for the aforementioned reasons;
5) it is proven that the person will not have access to a fair trial in the requesting state;
6) the respective act is punished by death as per the legislation of the requesting state and the requesting state provides no guarantee in view of not applying or not executing capital punishment;
7) in line with the Criminal Code of the Republic of Moldova the act or acts invoked in the request do not constitute a crime;
8) in line with national legislation the person may not be subject to criminal liability.
(2) Any rejection of international legal assistance shall be reasoned.
[Art.534 amended by Law No.48-XVI dated 07.03.2008, in force as of 15.04.2008]
[Art.534 amended by Law No.264-XVI dated 28.07.2006, in force as of 03.11.2006]

Article 535. Expenses Related to the Provision of Legal Assistance
Expenses related to the provision of legal assistance shall be born by the requesting party in the territory of its state, unless a different manner in view of covering the expenses is set out under conditions of reciprocity or by an international treaty.

Article 541. General Conditions for Extradition
(1) The Republic of Moldova may address a foreign state with a request for extradition of a person in whose regard a criminal investigation was conducted in connection with crimes for which criminal law provides for the maximum punishment of at least one year of imprisonment or any other more severe punishment or in whose regard a sentence was issued convicting him/her to imprisonment for at least six months in case of extradition for execution, unless international treaties provide otherwise.
(2) A request for extradition shall be made based on any international treaty to which the Republic of Moldova and the requested state are parties or based on written obligations under conditions of reciprocity.
(3) If the person whose extradition is requested is under criminal investigation, the General Prosecutor's Office shall be the authority competent to examine all the necessary materials and to file the request for extradition. If the person whose extradition is requested has been convicted, the Ministry of Justice shall be the competent authority. The request for extradition shall be transmitted directly to the competent body of the requested state or via diplomatic channels if so provided in an international treaty.
(4) Extradition shall be allowed only if as a result of the commission of a crime an arrest warrant or any other document of similar legal force is presented or on the decision of the competent authority of the requesting state which is executable and which orders the detention of the person whose extradition is requested and describes the applicable laws.
[Art.541 amended by Law No.48-XVI dated 07.03.2008, in force as of 15.04.2008]

- **Excerpts from the Civil Code of the Republic of Moldova**

Chapter III
Nullity of Transaction

Article 216. Null and Annullable Transactions
(1) A transaction is null on grounds established by this code (absolute nullity).
(2) The transaction may be declared null on grounds established by this Code by the court or by parties' agreement (relative nullity).

Article 217. Absolute Nullity of Transaction
(1) The absolute nullity of transaction may be invoked by any person that has an existent and actual interest. The court shall invoke such nullity on its own initiative.
(2) The absolute nullity may not be lifted by confirmation of null transaction by the parties.
(3) The action for ascertainment of absolute nullity shall not be subject to period of limitation s.

Article 218. Relative Nullity of Transaction
(1) The relative nullity of transaction may be invoked only by the person in whose interest it is established or by successors of that person, by his legal representative or by the unsecured creditors of the protected party, by means of oblique action.
(2) Relative nullity may be remedied by express or tacit will of the person in whose interest the nullity is provided for. The will to confirm the annullable transaction must be unconditional and obvious.
(3) In order to confirm an annullable transaction, it is not necessary for the will to be expressed in the form required for the respective transaction.
(4) Where each party may invoke the nullity of the transaction or where several persons may demand ascertainment of nullity, confirmation of transaction by one of those persons does not hamper others' right to rely on nullity of that transaction.

Article 219. Effects of Transaction Nullity
(1) The null transaction terminates retroactively from the moment of conclusion. Where it follows from the substance of the transaction that it may terminate only for the future, the transaction shall not produce effects for the future.
(2) Each party is bound to return all that he received by virtue of null transaction and, in case of impossibility of restitution, to compensate for the value of counter-performance.
(3) The party and third parties in good faith are entitled to compensation for the damage caused under the null transaction.

Article 220. Nullity of Transaction Contrary to Law, Public Order and Morality
(1) The transaction or the clause contrary to peremptory norms is void, unless it follows otherwise from legal provisions.
(2) The transaction or the clause contrary to public order or moral principles is void.

(3) Nullity of clause does not entail nullity of the entire transaction if it may be assumed that the transaction would have been concluded even in the absence of the void clause.

Article 221. Nullity of Sham and Feigned Transactions
(1) The transaction made with no intention to create legal effects (sham transaction) is void.
(2) The transaction concluded with the purpose to conceal another transaction (feigned transaction) is void. In regard of the concealed transaction the respective rules shall apply.
(3) In case of transfer of asset acquired by virtue of a sham transaction to a third party in good faith, it shall be deemed that the transfer occurred on a valid legal ground.

Article 222. Nullity of Transaction Concluded by Incapable Person
(1) The transaction concluded by an incapable person is void.
(2) The person with full legal capacity shall be bound to compensate for the damage caused to the other party by conclusion of the void transaction; if it is proved that the former was or should have been aware that the other party was incapable.

Article 223. Nullity of Transaction Concluded by a Minor between 7 and 14 Years of Age
(1) Transactions concluded by a minor between 7 and 14 years of age are void, save for those set forth in art.22 par.(2).
(2) The person with full capacity shall be bound to compensate for the damage caused to the minor, unless he proves that he was not and shouldn't have been aware of the fact that the other party lacked capacity needed to conclude the transaction.

Article 224. Nullity of Transaction Concluded by a Minor between 14 and 18 Years of Age or by a Person with Limited Capacity
(1) The transaction concluded by a minor between 14 and 18 years of age or by a person with limited capacity, without the consent of the parents, adoptive parents or the trustee, where such consent is required by law, may be declared void by court, upon the request of the parents, adoptive parents or trustee.
(2) The person with full capacity shall be bound to compensate for the damage inflicted to the other party; if it is proved that he was or should have been aware that the other party was lacking capacity to conclude the transaction.

Article 225. Nullity of Transaction Concluded by a Person without Discernment or a Person Unable to Direct His Actions
The transaction concluded by a capable person in a moment when he was not able to realize or direct his actions may be declared void by court.

Article 226. Nullity of Transaction Concluded in Breach of Powers Accorded
Where powers of a person to conclude transactions are limited by contract or – in regard of powers of a body of a legal entity – by constitutive act, as compared to the powers stipulated in the mandate, law or deducted from the circumstances of transaction conclusion, the transaction concluded in breach of the limits imposed shall be declared

null only where it is proved that the other party was or should have been aware about those limits.

Article 227. Transaction Made by Error
(1) A transaction made on basis of a serious error may be declared void by court.
(2) An error is deemed serious if upon conclusion there has been a false representation in regard of:
a) the nature of the transaction;
b) the substantial properties of the object of transaction;
c) the parties to the transaction (partner or beneficiary), where their identity constitutes a decisive reason for concluding the transaction.
(3) Error regarding reason for transaction is substantial only where the reason is included in the object of transaction.
(4) Error imputable to the one whose consent is vitiated may not serve as grounds for annulment of transaction.
(5) The person in whose interest the nullity has been declared shall be bound compensate the other party for damage caused, limited to the amount of the benefit the latter would have obtained absent the nullification of transaction. Likewise, the damage shall not be compensated for, where it is proved that the person entitled to compensation knew or should have known about the error.
(6) The transaction concluded by error may not be contested, if the other party agrees to perform in conformity with the wish of the party that intends to challenge the transaction.

Article 228. Nullity of Transaction Made by Fraud
(1) The transaction, conclusion of which has been induced by fraudulent or deceitful conduct of one of the parties, may be declared null by the court, even where the author of fraud had estimated that the transaction is also advantageous for the other party.
(2) If a party conceals certain circumstances, which, if revealed, would prevent the other party from concluding the transaction, the latter may demand nullification of transaction only if, based on the principle of good faith, it could have been expected that the other party would reveal those circumstances.
(3) Where the fraud is committed by a third party, the transaction may be declared null only if it is proved that the other party knew or should have known about the fraud.

Article 229. Transaction Made by Duress
(1) Transaction concluded under physical or mental duress may be declared null by court even in cases when duress had been exercised by a third party.
(2) Only such duress may serve as grounds for annulment of transaction, which, by its nature, is sufficient to make a person believe that an inevitable danger threatens him, his spouse, his relatives or other close persons or their property.
(3) For the purposes of this article, there is no duress where its author has not used illicit means.

Article 230. Nullity of Transaction Made under Confluence of Difficult Circumstances

(1) The transaction concluded by a person under extremely unfavorable terms, due to confluence of difficult circumstances, which the other party profited by, may be declared null by court.
(2) The court may maintain the transaction where the defendant offers a reduction of claim or a fair pecuniary compensation.

Article 231. Nullity of Transaction Concluded due to Fraudulent Agreement between Party's Agent and Other Party
(1) The transaction concluded due to a fraudulent agreement between the agent of a party and the other party may be annulled by court.
(2) The request for annulment under par.(1) may be submitted within one year from the day when the interested person became or should have become aware of the conclusion of transaction.

Article 232. Nullity of Transaction Concluded in Breach of Interdiction of Asset Dispose
The transaction by which an asset, regarding which the law or a competent body had established an interdiction of disposal, has been disposed of in favor of certain persons, may be declared null by court, upon request of the persons in whose interest the interdiction is set.

Article 233. Term for Filing Action for Annulment of Transaction
(1) The entitled person may demand annulment of transaction on grounds set in art.227, 228 and 230 within 6 months from the day when that person became or should have become aware about the grounds for annulment.
(2) The annulment request on grounds set in art.229 may be submitted within 6 months from the day when violence ceased.

Article 308. Claim of by Possessor in Good Faith of Asset in Illicit Possession
Where the possessor in good faith is deprived of the asset, he may claim restitution of that asset from the new possessor within 3 years. This rule shall not apply where the new possessor has a preferential title to possession. The claim of possession may be applied in relation to the person that has preferential title to possession, where the asset has been obtained by the latter through violence or fraud.
Chapter IV
Protection of Right of Ownership

Article 374. Claiming of Assets by Owner
(1) The owner is entitled to claim his assets from illegitimate possession of other persons.
(2) The possessor may refuse to hand over the asset, where he or the mediated possessor for which the former exercises possession has a preferential right of possession in relation to the owner. The claiming of the asset may be applied in relation to the person that has a superior right, where the latter obtained the asset by duress or deceit.
(3) From the moment of cease of good faith or, in case of a possessor in bad faith, from the moment of acquisition of possession, the possessor shall be liable in relation to the

owner for damage caused due to his fault by deterioration, loss or other impossibility to return the asset.
(4) In connection with claiming of owner's asset, the provisions of art.307, 310-312 shall apply accordingly.
(5) Where the possessor acquired possession by arbitrary act or by committing a criminal offence, he shall be liable in relation to the owner in conformity with the rules on tort liability.

Article 375. Claiming by Owner of Assets in Possession of Acquirer in Goof Faith
(1) Where an asset has been acquired by virtue of an onerous transaction from a person that was not entitled to alienate it, the owner may claim the asset from the acquirer in good faith only where the asset had been lost by the owner or by the person to whom he has conveyed it, or the asset had been stolen from either of them, or had gotten out from their possession in any other way, without their consent.
(2) Where the assets have been acquired gratuitously from a person that was not entitled to alienate, the owner is entitled to claim the assets in all cases.
(3) Money, bearer securities and assets obtained at auctions may not be claimed from an acquirer in good faith.

Article 1398. Grounds and General Conditions of Liability
(1) A person who commits an illegal and imputable act towards another person is bound to compensate him for damage caused to property, and, in cases provided by law, also for the moral damage.
(2) The damage caused through legal acts or without fault shall be compensated for only in cases expressly provided by law.
(3) A person other than the author of the damage shall be bound to compensate for it only in cases expressly provided by law.
(4) The damage shall not be compensated for, were it was caused upon the request or with the consent of the damaged person and if author's deed does not contradict the norms of ethics and morality.

- **Excerpts from the Administrative Code of the Republic of Moldova**

Article 291[1]. Violation of laws on the prevention and fight against money laundering and financing of terrorism

Violation of laws on the prevention and fight against money laundering and financing of terrorism by deviation from the requirements to the identification of private individuals or corporate entities and effective beneficiaries, or by failure of the reporting entities to present in due time the necessary information or by presentation of incomplete or erroneous information on the suspicious activities or transactions implemented or under implementation in the amount exceeding 500 thousand lei, notwithstanding whether the transaction is implemented in a single operation or in several operations within 30 calendar days,

Is punished by a fine of 100 to 150 conventional units applied to the private individual, or a fine of 300 to 500 conventional units applied to the corporate entity.

Article 349. Obstruction of legal activity of a public officer

(1) Obstruction of legal activity of a public officer in any form in the exercise of duty (failure to provide access for control, failure to present the documents or to execute the prescriptions and other legal instructions)

Is punished by a fine of 50 to 100 conventional units with or without deprivation of right to perform specific activity for a period of 3 to one year.

(2) The refusal to present to the control body of the National Social Insurance Office the and territorial social insurance office the justification and accounting documents necessary for establishing the social insurance obligations

Is punished by a fine of 30 to 75 conventional units applied to the responsible person.

(3) The obstruction in any form of the legal activity of the control body of the National Medical Insurance Company and its territorial agencies (non-admission of control refusal to provide the documents necessary for establishing the medical insurance obligations, or to execute the prescriptions and other legal instructions)

Is punished by a fine of 30 to 75 conventional units applied to the responsible person.

LAWS

- **Law No 190-XVI of 26 July 2007 on prevention and combating money laundering and terrorism financing**

Chapter I

GENERAL PROVISIONS

Article 1. Objective of the law

The following law establishes measures on prevention and combating money laundering and terrorism financing, having as objective the protection of natural and legal persons' legitimate rights and interests, as well as those of the state.

Article 2. Domain of application of the law

By the present Law are covered the actions of money laundering and financing of terrorism committed directly or indirectly by the citizens of the Republic of Moldova, foreign citizens, stateless persons, legal persons which are resident or non-resident on the territory of the Republic of Moldova, as well as, in compliance with the international treaties, the actions committed outside the territory of the Republic of Moldova.

Article 3. Main notions

In the sense of the present law, the following main notions mean:

money laundering – actions, stipulated in art.243 of the Criminal Code oriented towards legalization of both the source and provenience of illicit proceeds or towards concealing of the origin of or affiliation with such proceeds;

terrorism financing – actions, stipulated in art.279 of the Criminal Code oriented towards the directly or indirectly making available or intentional collection by any natural or legal person by any means of goods of any nature, obtained by any means for providing welfare or financial support of any nature for the purpose of using this goods or services or in the knowledge that they will be used partly or wholly in terrorist activities;

goods – financial assets, assets of any kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, documents or other legal instruments of any form, including electronic or digital form, which certifies a title or a right, including any share (interest) regarding these assets;

illicit proceeds – goods intended, used or resulted, directly or indirectly, from commission of a crime, any benefit obtained from these goods, as well as the goods converted or transformed, partially or totally, from the goods intended, used or resulted from the commission of a crime and from the benefit obtained from these goods;

beneficial owner– natural person who ultimately controls a natural or a legal person or the person on whose behalf a transaction is being conducted or an activity is being carried out and /or holds direct or indirect proprietary right or controls at least 25% of shares or of the right to vote of the legal person;

politically exposed persons – natural persons, who are or have been entrusted with prominent public functions at the national and international level, as well as their direct family members and persons known as close associates;

„natural persons that are entrusted with important public functions at the international level" – head of states, of government, senior government members, members of parliament, senior politicians, judicial or military officials, senior executives of the state owned corporations, royal family members;

„ natural persons, who are or have been entrusted with prominent public functions at the national level" - natural persons, who are or have been entrusted with prominent public functions in accordance with the provisions of the Law nr. 199 from 16.07.10 on the statute of the persons entrusted with public function, inclusively senior executives of the state owned corporations;

„Direct members of the families of political exposed persons *are the* wife/husband, children and their husband/wife and parents.

„close associates of the political exposed persons – natural persons known as beneficiary owners of a legal person together with the natural persons that are or have been entrusted with prominent public functions at the national and international level or about whom is known that have close business relations with those persons, as well as the natural persons known as being the single beneficial owner of a legal person about which is known that was established on behalf of a natural person that are or have been entrusted with prominent public functions at the national and international level.";

„*suspect transaction or activity* - a suspicious activity or transactions arises when a reporting entity knows suspects, or has reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted".

business relationship – business management, representation or every professional or commercial relationships, which were expected, at the time when the contact is established, to have an element of duration;

freezing – temporary prohibition of the transfer, liquidation, conversion, placement or movement of goods or temporary assuming of custody or control over the good;

shell bank – financial institution, having no physical presence, not exercising an actual management and not being unaffiliated to any regulated financial group.

Chapter II

PREVENTION OF MONEY LAUNDERING AND FINANCING TERRORISM

Article 4. Reporting entities

(1) The provisions of this law shall be applied to all financial institutions, as well as the following legal and natural persons (hereinafter - *reporting* entities):

a) financial institutions;

b) foreign exchange offices (other than banks);

c) professional participants on the financial non banking market, with the exceptions of associate of economies and borrowing that detained a license of category A;

d) institutions that legitimate or register the ownership right;

e) casinos (inclusively internet-casinos);

f) places of rest, equipped with gambling devices, institutions organizing and carrying out lotteries or gambling;

g) real estate agents;

h) dealers in precious metals or precious stones;

i) lawyers, notaries, auditors, independent accounts and other legal independent professionals, during the preparation, the carrying out or the realization of the transactions, on behalf of the natural or the legal person, related to the: purchasing and selling of real estate; funds management, securities and other financial assets; managing bank accounts, the accounting and financial reporting in accordance with National Accounting Standards; creation and management of legal persons and their buying and selling.

j) persons who provide investment or fiduciary assistance;

k) organizations that have the right to provide services related to the money orders and telegraphic or transfers of goods;

l) lessors natural or legal persons engaged in entrepreneurial activity and forward in the conditions of the leasing agreement, to the borrower based on its request for a certain period the right of possession and use of a good the owner of whom is, with or without the transmission of ownership of the good at the expiration of the term of the contract.

(2) Customs Service, at least at the 15th of the next moth will inform the Office for prevention and fight against money laundering all the information on the amounts of currency (with the exception of banking cards) declared by natural and legal persons in accordance with the provision of the art. 33 and 34 from Law nr.62/XVI from 21.03.2008 on the currency regulation. The mentioned provisions are not applied in cases of amounts declared by the National bank of Moldova, licensed banks and nonresident banks.

(3) The Customs service will inform the Office for prevention and fight against money laundering, but not later than during 24 hours of the information linked to identified cases of introduction of foreign currency or and illegal expedition of currency.

Article 5. The identification requirements of the natural and legal persons and of the beneficiary owner

(1) The reporting entities apply security measures regarding the natural or legal persons, as well as beneficiary owner, in the following cases:

a) before the establishment of business relationships or before opening the banc account;

b) while carrying out occasional transactions amounting at least 50 000 lei as well as electronic transactions amounting at least 15 000 lei, regardless of the fact that transaction is carried out in a single operation or in several operations;

c) there is a suspicion of money laundering or terrorism financing, regardless of any derogation, exemption or set thresholds;

d) there are doubts on the authenticity and the accuracy of the obtained identification data .

(2) The identification measures include:

a) identification and verification of the identity of natural or legal person, of the beneficiary owner on the basis of the identity documents as well as data or information obtained from a reliable and independent source, inclusively the necessity to have possibility to report the activity or transaction in accordance with art.8. It will require presentation of the identity document, while opening every account or business relation concluding, in case when opening account or transaction is carrying out by the entrusted person, the proxy legalized in the established order is required;

b) identification of the beneficiary owner and the adoption of adequate measures and based on risk for verifying his identity, in order that reporting entity to be convinced of the identity of the beneficiary owner, inclusively as far as the natural and legal person are concerned, for a better understanding of their structure of ownership and control of these persons;

c) obtaining of information on the purpose and the nature of the business relationship or of the complex and unusual transaction;

d) ongoing monitoring of the transaction or of the business relationship, including the examination of transactions concluded throughout the course of the respective relationship, to ensure that the transactions being conducted are complied with the information provided by the reporting entity on the legal or the natural persons, the business and type of risk, including, when necessary, the source of funds and ensuring that the documents, data or information held are updated.

(3) Deviation from paragraph (1), item a), b), d) and paragraph (2), identification measures according to the established criteria of the supervising authority do not apply when:

a) carrying out of service operations of the public authorities with the State Treasure;

b) obtaining a life insurance policy on condition that premium for the insurance or annual payment rates are below 15 000 lei, or on condition that a single paid premium not exceed 30 000 lei;

c) subscribing to insurance policies issued by pension fund, based on an employment contract or by virtue of activity, on condition that that such a policy can not be compensated before the expiration of the term and can not be used as a guarantee or caution for obtaining a credit.

Article 6. Enhanced due diligence measures

(1) Reporting entities apply identification measures established their scale in accordance with the risk associated to each type of client, business relation, good or transaction. Reporting entities have to be able to demonstrate to competent authorities, including supervising authority, the fact that the scale of enhanced due diligence measures is adequate, taking into account money laundering and terrorism financing risks.

(2) Reporting entities apply enhanced due diligence measures above those stipulated in art.5, in cases when according to their nature they represent enhanced money laundering and terrorism financing risk, at least according to paragraph (3) – (6) of this

article, as well as in other cases, according to the criteria established by supervising authority.

(3) In case when natural or legal person is not present personally at the identification procedure, reporting entities undertake one or more type of measures:

a) guaranteeing that the identification of the person is established by documents, data or additional information;

b) additional checking and certification of submitted documents or their confirmation by a financial institution;

c) guaranteeing that the first payment regarding the operation is carried out via an opened account on behalf of the person with the financial institution.

(4) In relation to cross-border banking, financial institutions undertake one or more of the following measure:

a) accumulation of sufficient information regarding a correspondent institution in order to fully understanding the nature of its activity and ascertainment out of available public information its reputation and supervising quality;

b) evaluation of the policy on prevention and combating money laundering and terrorism financing applied by the correspondent institution;

c) obtaining of the approval by management bodies before setting new relations with correspondent banks;

d) establishing by document the responsibility of each institution;

e) ascertainment of the fact that, regarding correspondent accounts, the correspondent institution has checked the identity of the clients, whose operations are carried out via its accounts; has applied permanent due diligence measures and is able to provided, at request, relevant data regarding due diligence.

(5) In transaction or business relationship with politically exposed persons, reporting entities ensure:

a) corresponding procedures, in accordance with the risk, for politically exposed persons' determination;

b) obtaining of the approval by management bodies for establishing or continuation of business relations with such persons;

c) adoption of the adequate measures in order to determine the source of the funds implied in business relation or transaction;

d) enhanced and permanent monitoring of business relation

(6) Reporting entities shall adopt enhanced due diligence measures when:

a) natural or legal persons receive or sent funds from /to the countries that lack norms regarding money laundering and financing of terrorism or have inadequate norms regarding this subject or represent enhanced offence and corruption risks and /or are implied in terrorist activities;

b) carrying out wire transfers, if there is lack of sufficient information about identification of the sender as well as during transactions encouraging anonymity.

(7) Financial institutions are not aloud to keep anonymous accounts or those on fictive names, to establish or continue business relations with shell banks or with a bank that is known as allowing shell banks to use its accounts.

(8) Reporting entities are obliged to abstain from account opening, establishing business relations, to stop or refuse transaction carrying out in case that haven't been respected the provision of the art.5 p2 letter a, b, c from the present law. But in case of business relation already established, the reporting entities in case of establishing that the information and data obtained at the identification and verification of the client are not precise in accordance with the legislation in force and normative acts of the supervisory authorities, finish the business relation.

In accordance with art.8, reporting entities are obliged to report such circumstances to the Office for Prevention and fight against money laundering.

Article 7. Keeping of the records regarding the activities and the transactions of the natural or legal persons and of the beneficial owner

1) The reporting entities keep the accounting of the information and the documents of the natural and legal persons, of the beneficial owner, the register of identified natural and legal persons, the archive of accounts and primary documents, including business correspondence, for a period at least 5 years, after the business relationship ending or bank account closing. The reporting entities keep the accounting of all the transactions for at least 5 years after the transactions are ended, but at the request of the supervisory authorities prolong the record keeping period.

2) The reporting entities respond completely and promptly to the requests of the Office for Prevention and fight against money laundering and other empowered authorities, on the existence of business relations and their nature, between these entities and certain natural and legal persons.

Article 8. The reporting of the activities or transactions falls under this law**:**

(1) The reporting entities are obliged to inform immediately the Office for Prevention and fight against money laundering about any suspect transaction or activities of money laundering and terrorist financing, which is being prepared, carried out or finalized. The data on suspect transaction are reflected in a special form, which is sent to the Office for Prevention and fight against money laundering within 24 hours from the moment when the request was received.

The data of transactions effectuated in cash by a single transaction exceeding equivalent of 100000 lei or it equivalent, or by many cash transactions that seems to be correlated, are reflected in special forms which are submitted to the Office for Prevention and fight against money laundering during 10 days.

(2) The data of transactions effectuated electronically through a transactions with a total value exceeding 500.000 lei, are indicated in special blanket are reflected in a special form which are submitted to the Office for Prevention and fight against money laundering not later that the 15th of the month immediately following the operational month.

(4) The transactions between the financial institutions, between the financial institution and National Bank of Moldova, between the financial institutions and National Treasury as well as the commission payment of the account maintenance and banking fees are not subject of reporting regime.

(5) (3) In the special form on the activities or transactions that fall under this law, containing their data, confirmed by the signature of the person who fulfilled it or by any other identification manner, at least the following information shall be provided:

a. the series, the number and the date of issue of the identity document, address and other data necessary for the identification of the person who carried out the respective transaction;
b. the address and other data necessary for the identification of the person in whose name the transaction was carried out;
c. the address and other data necessary for the identification of the beneficiary owner;
d. the legal identification data and the accounts of the customers participating to the transaction;
e. the type of the transaction;
f. data about the reporting entity which carried out the transaction;
g. the date, the time and the value of the transaction;
h. the name and the position of the person who registered the transaction;
i. the reasons of suspicion.

6) The reporting entities and their employees are obliged to refrain themselves from communicating to natural and legal persons who carry out the activity or transaction, or to third parties about the transmission of the information to the Office for Prevention and fight against money laundering

(7) The reporting entities ensure the protection of their employees against any threats or hostile action regarding the reporting of suspect activities and other transactions.

Article 9. Internal control procedures

(1) The reporting entities establish due-diligence policies and methods regarding the clients, in the area of evidences keeping, internal control, risk assessment and management, compliance and communication management in order to prevent and counter activities and transactions linked to money laundering or terrorist financing.

(2) The reporting entities appoint the persons invested with functions related to the execution of this law, whose names will be communicated to the Office for Prevention and Fight against Money Laundering and to other supervising authorities, along with the nature and the limits of their responsibility.

(3) The reporting entities approve proper programs on prevention and combating money laundering and financing terrorism, according to the recommendations and normative acts approved by the supervising authorities, including at least the following:

a. methods, procedures and internal control measures, inclusively proper programs on receiving information from the empowered authorities in the purpose of verifying natural and legal persons;
b. names of managerial employees responsible for ensuring the compliance of the policies and procedures to legal requirements on anti-money laundering and terrorism financing;
c. "know-your-customer" rules, with the aim of promoting ethical and professional standards in this area and preventing the institution from being used, intentionally or unintentionally, by organized criminal groups or their associates;
d. an ongoing personnel training program, strict selection of employees, so as to ensure their high professional profile;
e. auditing, with a view to exercise internal system control.

CHAPTER III

THE COMPETENCE OF THE AUTHORITIES EMPOWERED TO EXECUTE THE LAW

Article10. The authorities empowered to supervise the reporting entities

(1) The regulation and control of the manner of execution of this law is insured by the following public institutions empowered to supervise the reporting entities, according to the competence established by law:

a) Office for Prevention and Fight against Money Laundering;

b) National Bank of Moldova;

c) National Financial Market Commission;

d) Ministry of Justice;

e) Ministry of Information Technology and Communications;

f) Ministry of Finance;

g) Licensing Chamber;

(2) The bodies empowered to supervise the reporting entities, within their powers a) to execute this law and international recommendations:

a) issue orders, decisions, recommendations and other normative acts;

b) approve the Guide on suspicious activities or transactions, instructions on how to fill out and transmit special forms on reported activities or transactions, the special form for reporting entities, the Guidance for the identification of transactions suspected of financing of terrorism, Guide on the identification of politically exposed persons, instructions for preventing the use of domestic banking and non-banking system in the legalization of illicit proceeds and terrorism financing, and other instructions to implement the policies on recovery of illicit proceeds and terrorism financing;

c) verify and monitor the implementation of this law relating to compliance requirements towards collection, recording, storage, identification and disclosure of transactions and the implementation of internal control measures and procedures.

(3) In case of non-observance by reporting entities of the obligations stipulated in this law, the authorities empowered to supervise the reporting entities can apply the remedial measures and sanctions established by the legislation, and upon the identification of sum of money laundering or financing of terrorism, inform and submit immediately the respective materials to the Office for Prevention and Fight against Money Laundering. The application of the mentioned actions does not exclude the possibility of realization, according to the legislation in force, of other measures for the purpose of combating money laundering and financing of terrorism.

(4) For the purpose of preventing and combating of money laundering and terrorism financing the authorities empowered to supervise the reporting entities, are obliged:

a) to confirm whether the reporting entities apply written policies, practices and procedures, including strict “know-your-customer” rules, with the aim of promoting high

ethical and professional standards in the respective area and preventing this from being used, intentionally or unintentionally, by organized criminal groups or their associates;
b) to determine whether reporting entities comply with their own policies, practices and procedures targeted towards the detection of the activity of money laundering and terrorism financing;
c) to inform reporting entities on money laundering and terrorism financing activities, including new methods and trends in this area;
d) to identify the possibilities of money laundering and terrorism financing of the reporting entities, to undertake, as necessary, proper measures to prevent the illegal usage of these and to inform the reporting entities about the possible abuses.

(5) The Public Administration authorities, according to the competence established by the legislation, shall undertake proper measures in order to prevent the institution of the control over the reporting entity or the obtaining of the control stock and /or of controlling parts, by organized criminal groups or their associates.

Article 12. Limitation of the effect of secrets defended by law

(1) The information received from the reporting entities, in cases provided by this law, can be used only for the purpose of prevention and combating money laundering and terrorism financing.
(2) The transmission by the reporting entities of information (documents, materials, other data) to the Office for Prevention and Fight against Money Laundering, to criminal investigation authorities, prosecutors' offices, courts and other competent authorities, in cases provided by this law, shall not be qualified as disclosure of the commercial, banking or professional secret.
(3) The legislative provisions on commercial, banking or professional secret, cannot impede the agencies mentioned under paragraph (2) of this article, with the scope to execute this law, from receiving or lifting the information (documents, materials, other data) about financial and economic activities and transactions of natural or legal persons.

Article 13 . International cooperation and assistance

(1) For the purpose of this law, the international cooperation in area of combating money laundering and financing terrorism is carried out based on the principles reciprocity according to the legislation of the Republic of Moldova, as well as on the basis of international treaties.
(2) The Office for Prevention and Fight against Money Laundering, itself (spontaneously) or on a request basis, can perform the sending, receiving or exchange of information and documents with similar foreign authorities, on a reciprocity basis and provided the observance of the similar requirements regarding the confidentiality, on the basis of cooperation agreements.

CHAPTER IV
OFFICE FOR PREVENTION AND FIGHT AGAINST MONEY LAUNDERING

Article 13 [1]. Office for prevention and fight against money laundering

(1) Office for prevention and fight against money laundering functions as a specialized, independent division within the Center for Combating Economic Crimes and Corruption under the provisions of the present Law and its activity Regulation.

(2) The Office has the following attributions in preventing and combating money laundering and terrorist financing:

a) receive, analyze, process and transmit information on suspicious activities and transactions, submitted by reporting entities under the provisions of this Law;

b) transmission of information and documents to criminal investigation authorities and to other competent authorities, when there are reasonable suspicions on money laundering and financing of terrorism or other crimes that generate illicit income;

c) issue regulations, guidelines and normative acts to bring in line the national legislation with international legal acts in the field;

d) requesting and receiving of information and necessary documents from the reporting entities, public authorities for assessing the suspect nature of the transactions;

e) issue postponement orders to stop suspicious activities or transactions;

f) communicate to the reporting entities, as frequently as possible, about the results of the examination of the provided information, publishing periodically activity reports;

g) provide methodological supplies for reporting entities in the area of prevention countering money laundering and terrorism financing

h) cooperate and exchange information with similar foreign authorities, international organizations dealing with money laundering and financing terrorism issues;

i) create and ensure the good functioning of the information system, in its area of activity;

j) at the request of other authorities empowered to supervise the reporting entities to fulfill the control and the verification of the observance of this law by the reporting entities;

k) collect and analyze statistic material regarding the efficiency of the prevention and combating money laundering and terrorism financing system, including the number of suspect transactions declaration, number of criminal cases and convicted persons, data on transactions freezing, seizure and confiscation of the proceeds obtained from money laundering and terrorism financing;

l) Elaborate the National strategy of preventing and combating of money laundering and terrorism financing and coordinate the activity of the national authorities responsible for implementation;

m) Identify law infringements in the field of prevention and fight against money laundering and terrorism financing and sanction in the limit of its competencies;

n) Exercise other functions, according to the tasks provided by the legislation.

(3) The Office for prevention and fight against money laundering coordinates the activity of the authorities empowered to execute this law in the area of money laundering and terrorism financing.

(4) The Office participates in the activity of specialized international organizations and can be a member thereof.

(5) To carry out its duties, the Office has established an own unit, which staff limit and structure within the Center for Combating Economic Crimes and Corruption is approved by the Government.

(6) The Office is led by a head, appointed by CCECC director and dismissed in accordance with the procedure established by the law.

Article 14. Insurance measures

(1) The reporting entities are obliged to freeze, at the decision of the Office for prevention and fight against money laundering, the carrying out of the suspect activities or transactions, for the period specified in the decision, but for not more than 5 (five) working days. If the mentioned period is not sufficient, the Office for prevention and fight against money laundering can request, on motivated grounds, before the expiration of the term, from instruction judge, to extend the term of freezing or seizing the suspicious activities or transactions. At the expiration of the term of 30 working days from the date of approving the decision that is considered null.

$(1)^1$ The instruction judge by a resolution , decide on the prolongation of the time of freezing decision of a suspect transaction or activity based on the motivated report of the Office for prevention and fight against money laundering at least one day before the expiration of the term of freezing. About the resolution of the instruction judge on the prolongation of the term of freezing of the suspect transaction or activity. The natural or legal person the subject of the freezing decision are informed in accordance with the legislation in force.

$(1)^2$ The freezing decision of suspicious transaction or activity of the Office for Prevention and fight against money laundering and the the resolution of the instruction judge of the prolongation of the term of freeing decision can be attacked by the person considered frigid in rights in accordance with the legislation in force.

(2) The reporting entities shall suspend for 2 business days the transactions with the goods, except for the account refill transactions of the persons and entities involved in terrorist activities, in the financing and provision of support in any other ways; of the dependent, directly or indirectly controlled persons and corporate entities; of the private individuals and corporate entities acting in the name or by the orders of such persons and entities, including the funds derived or generated by the property so belonging to them or controlled by them directly or indirectly, of the mentioned persons and entities, as well as of the associated private individuals and corporate entities and inform immediately the Office of Fight Against Money Laundering and Financing of Terrorism, but not later than in 24 hours from reception of order for the transaction. Should within the 2 days mentioned above no decision to suspend the transaction be received from the Office of Fight Against Money Laundering and Financing of Terrorism, the reporting entities shall execute the respective transaction.

(3) After the receiving and verification of the information mentioned in paragraph (2), the Office for Prevention and Fight against Money Laundering dispose, in dependence of the case, the freezing of suspect transactions on term till 5 working days, execute by emergency necessary actions for the examination of the discovered case, by notifying the reporting entity about the decision that was taken.

(4) The list of persons and entities implied in terrorist activities are elaborated, actualized and published by the Service of Intelligence and Security in the Official Monitor of the Republic of Moldova.

(5) The reason for including a person or organization in the list mentioned at the paragraph (4) serve:

a) lists elaborated by the international organizations to which the Republic of Moldova is a party and by the authorities of the European Union regarding the persons and entities implied in the terrorist activities;

b) definitive decision of a court from the Republic of Moldova on the declaration of the organization from the Republic of Moldova or from other state as being terrorist;

c) definitive decision of a court on the cessation or suspension of the activity of the organization implied in terrorist or extremist activities;

d) definitive decision of a court on the person's condemnation for the committing terrorist act or other crime with terrorist character;

e) ordinance of beginning criminal investigation in respect to a person that committed terrorist act or other crime with terrorist character.

f) definitive criminal decision pronounced by a foreign court recognized, in the established manner, by the national courts, in respect to the persons and entities implied in terrorist activities.

Article 15. The liability for violation the provisions of this law

(1) The violation of the provisions of this law refers to the disciplinary, administrative, civil or penal liability, in accordance with the legislation in force.

(2) Office for Prevention and Fight against Money Laundering, other public authorities empowered to ensure the execution of this law, as well as officials within these, are obliged to ensure the commercial, banking or professional secret. Its disclosure, in violation of the established provisions, is held liable, in accordance with the legislation in force, for the damage caused by the illegal disclosure of the data obtained while on duty. Submitting of the information to the similar foreign authorities in the established way can not be considered disclosure of the secrets defended by the law.

(3) The reporting entities and their employees are exempted from disciplinary, administrative, civil and penal liability for submitting the information to the competent authorities for the purpose of executing the provisions of this law, even if this caused material or moral damages.

CHAPTER V
FINAL AND TRANSIT PROVISIONS

Article 16.

(1) The provisions of this law are applied to all the new clients of reporting entity. For the existent business relations, the new duties have to be accomplished during 6 months, starting with the highest risk clients.

(2) To abrogate the Law nr. 633-XV din 15.11.2001 on prevention and combating of money laundering (Official Monitor of the Republic of Moldova, 2001, nr.139-140, art.1084).

Article 17. Government obligations

The Government, within 2 months:

- shall present to the Parliament proposals for harmonizing the legislation in force with the provision of this law;
- shall harmonize its normative acts with the provision of this law;
- shall ensure the revision by ministers and central public authorities of their normative acts;

Chairman of the Parliament
Marian Lupu

Chişinău, 26th of July 2007
Nr. 190 - XVI

- **Law No 45-XIII of 12th April 1994 on Operative Investigations, as amended by Law No. 243 of 24th November 2007**

Chapter I
GENERAL PROVISIONS

Article 1. Operative investigation activity
(1) Operative investigation activity having its legitimacy guaranteed under the present law constitutes legal means used by the state with the scope of protecting state interests, its territorial integrity, legitimate interests of physical and legal entities irrespective of the form of ownership against criminal offenses.
(2) Within the frameworks of their competencies, operative investigation activity shall be displayed publicly and/or secretly by the operational investigation subdivisions affiliated by the state bodies and duly empowered for such action under the present law.

Article 2. Scopes pursued by the operative investigation
The following are the scopes pursued by the operative investigation:
a) revealing cases of criminal attempts, preventing, suppressing and disclosing crimes and persons organizing, perpetrating or having perpetrated such as well as ensuring compensation of prejudices inflicted by such offense;
b) searching persons absconding from preliminary inquiry bodies, from criminal investigation and court or such absconding from punitive sanction as well as missing persons;
c) gathering information on the events or actions endangering state, military, economic or ecological security of the Republic of Moldova.

Article 3. Principles of operative investigation activity
Operative investigation activity is bearing upon the following principles:
- lawfulness;
- observance of individual's rights and freedoms;
- timeliness and efficiency;
- combining publicity with secret methods;
- cooperating with other state bodies;
- deideologization and impartiality.

Article 4. Legal basis governing operative investigation activity
(1) Legal basis governing operative investigation activity are formed by the Constitution, provisions set out under the present law as well as other regulatory acts adopted in compliance with such.
(2) Within the frameworks of their competencies and with due consent of the Supreme Court of Justice and Attorney General's Office bodies exercising operative investigation activity are entitled to issue regulatory acts governing organization, methods and tactics of carrying out operative investigation measures.

Article 5. Observance of individual's rights and freedoms in carrying out operative investigation activity

(1) It is inadmissible to use operative investigation measures for the scopes and objectives other than such envisaged under the present law.

(2) Any person considering that actions taken by operative investigation body have inflicted prejudices to their rights and freedoms are entitled to contest such actions with the hierarchically superior body, with public prosecutor's office or with the respective judiciary instances. The submitted complaint does not suspend the execution of the attacked actions, if the operative investigation authority does not consider it necessary.

(3) In order to ensure comprehensive and multilateral examination of a complaint lodged by a person against whom groundlessly applied were operative investigation measures, the investigation bodies are obliged at the request of public prosecutor to submit all the official operative documents. Data on the persons that have contributed confidentially to carrying out operative investigation measures shall be submitted at Attorney General's request only.

(4) In case when a body (official person) carrying out operative investigation activity fail to duly observe legitimate interests of physical and legal entities, the hierarchically superior body or public prosecutor are obliged to take measures resulting in restoration of such legitimate rights and interests and ensure compensation for the inflicted prejudice in compliance with the law.

(5) Operative investigation activity if exercised in violation of the present law incurs responsibility envisaged under the effective legislation.

Chapter II
PROCEDURE OF APPLYING OPERATIVE INVESTIGATION MEASURES

Article 6. Operative investigation measures

(1) Operative investigation measures shall apply in full compliance with the legislation in cases when there is no other ways of ensuring implementation of scopes envisaged under Article 2.

(2) With the scope of reaching herewith-specified objectives, the bodies exercising operative activity with due observance of the rules of conspiracy, shall be entitled to proceed as follows:

1) to undertake, with the authorization of the examining judge, the following operative investigation measures:

a) residence searching and installation of audio, video, photo, filming devices etc.;

b) residence supervision by usage of technical means;

c) tapping telephone wires and interception of other conversations;

d) control of telegraphic and other communications;

e) gathering of information from telecommunication institutions;

2) undertake other operative investigation measures:

a) interrogate citizens;

b) gather information;

c) apply field supervision;

d) institute proceedings and carry out factual documentation by using advanced methods and technique;

e) collect materials (evidence) for the purpose of comparative investigation;
f) perform controlled purchasing and delivery of goods found in free or restricted circulation;
g) search objects and documents;
h) identify persons;
i) search premises, buildings, land plots and transportation means;
j) check up of the mail of the convicted;
k) carry out discussions with the accused one with the use of polygraph;
l) use marking by applying chemical and other special substances;
m) operative experiment
n) infiltrate operatively into criminal organizations collaborators of operative subdivisions and persons confidentially cooperating with the bodies carrying out operative investigation activity;
o) check up transfer of cash or other extorted material values;
p) monitoring transactions performed through one or more bank accounts.
Operative investigation measures stipulated under items 1)and 2) lt. n) and o) shall be exercised by the Ministry of Home Affairs, Information and Security Service of the Republic of Moldova and Center for Combating Economic Crimes and Corruption on the basis of law and in cases when such are required to ensure national security, public order, economic welfare of the country, maintaining law and order and preventing offenses, health care, protecting morality or to secure rights and freedoms of other persons.
(3) List of actions listed under paragraph (2) is exhaustive and can not be modified or amended unless by virtue of the law.
(4) While applying operative investigation measures use shall be made of informational systems, video, audio and camera/photography means and other advanced technical means.
(5) Official persons with the bodies exercising operative investigation activity shall be personally involved in organizing and applying operative investigation measures. If necessary, they can appeal for help to specialists in different domains as well as to citizens cooperating voluntarily (publicly or secretly) with the bodies exercising operative investigation.

Article 7. Grounds for applying operative investigation measures
(1) The following are the grounds for applying operative investigation measures:
a) unclear circumstances in connection with a criminal case launched;
b) information that became known to the bodies exercising operative investigation activities on as follows:
- any action contrary to the law which is being prepared, being perpetrated at the moment or already committed as well as any persons preparing an offense (perpetrating it at the moment or having already committed), if there are no sufficient data for launching a criminal lawsuit;
- persons absconding from criminal prosecution bodies or from preliminary inquiry or trial or such dodging from punitive sanctions; - missing persons and tracing out nonidentified corpse;
c) errands of the investigator, or such issued by the criminal prosecution body, public prosecutor or court ruling on criminal cases found under trial;

d) request on behalf of the bodies exercising operative investigation activity on the grounds stipulated under the present article;
e) request on behalf of the international law organizations and law bodies of other countries, in compliance with the international treaties to which the Republic of Moldova is a consignatory.
(2) Applying operative investigation measures shall be authorized through a decision made by the manager of a body exercising operative investigation activity or by his deputy dealing with the issues referred to operative investigation activity.
(3) Within the frameworks of their competencies bodies exercising operative investigation activity are entitled to compile required information characterizing suspects in what refers to:
a) their access to information constituting state secret;
b) their admittance to work at certain objects, which may represent enhanced danger to life and bone of people as well as for the environment;
c) their admittance to take part in operative investigation activity or granting them access to materials collected as a result of such activity;
d) establishing or maintaining with such persons relations of collaboration when preparing and displaying operative investigation measures;
e) issuing authorization in care of such persons allowing them to exercise non-governmental protective-investigation activity.
Within the frameworks of their competencies bodies exercising operative investigation activity are entitled to compile information with the scope of ensuring their own security.

Article 8. Conditions and mode of applying operative investigation measures.
(1) Application of operative investigation measures in violation of the rights granted by the law:
residence searching and installation of audio, video, photo, filming devices etc;
residence supervision by use of technical means;
c) tapping telephone wires and interception of other conversations;
d) control of telegraphic and other communications;
e) gathering of information from telecommunication institutions– shall only be admissible with the scope of gathering information on the persons who prepare or intend to commit grave offenses and with due sanction issued by public prosecutor based on motivated decision made by one of the managers of the respective body involved in exercising operative investigation activity. List of the categories of such managers shall be made out in compliance with departmental regulatory acts.
(3) In case of appearance of threat to life, health or property of certain parsons, at their own request or with their written consent it is admissible to intercept their telephone conversations or by using other intercommunication devices based on a decision taken by the manager of a body exercising operative investigation activity with the authorization of the examining judge.
(4) Operative investigation measures that serve to ensure activities displayed by the internal affairs bodies of penitentiary system, state security, Center for Combating Economic Crimes and Corruption and defense shall be applied following procedure established by the law.

(5) Control over transfer or money or other extorted material values shall apply in case when receiving statement on behalf of a specific person on the fact of extortion, based on motivated decision taken by one of the managers of a body exercising operative investigation activity approved by public prosecutor.

Article 9. Carrying out operative control
(1) In cases envisaged under Article 7, bodies exercising operative investigation activities are entitled to carry out operative control. Carrying out operative control is subject to mandatory registration.
(2) Operative control shall be done with due authorization and supervision of the manager of the controlling body. Results of operative investigation measures applied shall be reflected in duly systematized official operative documents.
(4) Operative control shall be suspended in case of resolving specific tasks of operative investigation activity envisaged under Article 2 or in case of establishing circumstances proving objective impossibility of fulfilling such tasks.

Article 10. Using results of operative investigation activity
(1) Results of operative investigation activity can be used in preparing and carrying out criminal inquiry and applying operative investigation measures with the scope of preventing, suppressing and disclosing offenses as well as using such as evidence for criminal lawsuits.
(2) Material acquired during operative control can not constitute grounds for restricting legitimate rights, freedoms and interests enjoyed by physical and legal entities.
(3) Information concerning means, sources (except for the persons extending assistance to bodies applying such measures), methods, plans and results of operative investigation activities as well as on organization and tactics of displaying operative investigation measures, which constitute state secret can be released in compliance with the effective legislation only.

Chapter III
OBLIGATIONS AND RIGHTS OF THE BODIES EXERCISING OPERATIVE INVESTIGATION ACTIVITY

Article 11. Bodies entitled to exercise operative investigation activities
(1) Operative investigation activities is exercised by the Ministry of Home Affairs, Ministry of Defense, Information and Security Service of the Republic of Moldova, State Guard Service, Customs Department affiliated by the Ministry of Finance, Department of Penitentiary Institutions affiliated by the Ministry of Justice, Department of Frontier Troops and Center for Combating Economic Crimes and Corruption. This list can not be modified or amended unless by virtue of the law.
(2) Bodies exercising operative investigation activity are carrying out their duties independently with or without support extended by the citizens.

Article 12. Obligations of the bodies exercising operative investigation activity
When carrying out duties stipulated under thee present law, the bodies authorized to exercise operative investigation activity are obliged to proceed as follows:

a) in line with their competence to attempt all measures required for securing human rights and freedoms, all types of ownership protected under the law, so as to ensure public and state security;
b) to exercise written errands of the investigator, prosecutor's instructions and rulings of thee judiciary instance concerning application of operative investigation measures under criminal lawsuits accepted for prosecution;
c) to render on the basis of contracts (agreements) legal assistance to the respective law bodies from other countries;
d) to notify other bodies exercising operative investigation activity on the disclosed facts of illicit activity referred to the competencies of these bodies and to render them required assistance;
e) to observe rules of conspiracy in exercising operative investigation activity;
f) to contribute to ensuring security and securing goods owned by collaborators, members of their families and relatives as well as of participants in criminal proceedings, members of their families and relatives against criminal offenses and other illicit actions.

Article 13. Rights of the bodies exercising operative investigation activity
(1) When carrying out duties making part of operative investigation activities, the bodies empowered to exercise such have the following rights:
a) to apply operative investigation measures stipulated under Article 6;
b) to establish relations with persons that gave their consent for confidential cooperation with the bodies exercising operative investigation activities;
c) to create and make use of informational systems ensuring implementation of duties under operative investigation activity;
d) in the course of carrying out operative investigation measures on the basis of a contract or verbal agreement to make use of service premises, assets owned by enterprises, institutions, organizations, military subdivisions as well as residence, transport and other private property;
e) to draft, improve and make use in compliance with instructions agreed upon with the Attorney General and approved by the manager of the respective ministry or department documents, which contain codification of identity of persons vested with responsibility, departmental appurtenance of subdivisions, organizations, premises and means of transportation of the bodies exercising operative investigation activity as well as of the persons confidentially collaborating with such. Operative measures concerning drafting and improving herewith-mentioned documents shall be applied only by the operative subdivisions of the Ministry of Home Affairs and Information and Security Service of the Republic of Moldova;
f) to institute in compliance with the law organizations and subdivisions designed to solve objectives set out under the present law.
(2) Official persons have no right to set impediments to the bodies stipulated under the present law in exercising operative investigation activity within the frameworks of their competencies.

Article 13/1. Informational and documentary ensuring of operative investigation activity

(1) For the purpose of realization of the task set forth by the present law, the authorities executing operative investigation activity can use information systems, as well as keep files of operative record.
(2) Operative record files are drawn up in case of presence of grounds stipulated under art.7 par.(1), for the purpose of collection and systematization of data, verification and assessment of operative investigation activity, as well as for the adoption, on these grounds, of respective decisions by authorities carrying out operative investigation activity.
(3) The drawing up of the operative record file can not serve as ground for limitation of the protected by law rights and freedoms of the citizens.
(4) The categories of operative investigation files, the mode of keeping and closure are established in departmental normative acts of authorities carrying out operative investigation activity.

Article 14. Social and legal protection of the official persons employed by the bodies exercising operative investigation activity.
(1) Applying to the official persons making part of the bodies exercising operative investigation activity are social and legal guarantees envisaged for the case.
(2) No one shall be entitled to interfere with legitimate actions displayed by the official persons and bodies exercising operative investigation activity, except for the persons authorized for so doing in compliance with the law.
(3) When displaying operative investigation measures the official person authorized for exercising operative investigation activity shall subordinate to the manager of such measure exclusively.

Chapter IV
SUPPORT RENDERED TO THE BODIES EXERCISING OPERATIVE INVESTIGATION ACTIVITY

Article 15. Attracting citizens to collaboration with the bodies exercising operative investigation activity
(1) Certain citizens with their consent can be attracted to confidentially preparing or applying operative investigation measures, including such on contractual basis. These persons are obliged to keep secret of information which became known to them through operative investigation activities and have no right to submit to the bodies exercising the like activities obviously false information.
(2) The bodies exercising operative investigation activities are entitled to sign contracts with adult persons that have the capacity of exercise, irrespective of their citizenship, nationality, gender, social, official and patrimonial situation, political and religious convictions or appurtenance to public organizations.
(3) The bodies exercising operative investigation activities are not entitled to make use of contracted confidential assistance on behalf of deputies, judges and public prosecutors.

Article 16. Social and legal protection of persons extending assistance to the bodies exercising operative investigation activities

(1) Persons rendering assistance to the bodies exercising operative investigation activities are found under state protection.
(2) In case of appearance of real danger of illicit offense to life, bone or ownership of certain person in connection with the fact of rendering assistance to the bodies exercising operative investigation activities as well as to members of their families and relatives, respective authorities are obliged to take required measures in view of preventing illicit actions, identifying culpable persons and bringing them to trial.
(3) Information concerning persons infiltrated into criminal organizations or official collaborators acting under the cover of the bodies exercising operative investigation activities as well as on the persons who used to confidentially extend, or currently extending, assistance to these bodies, can be made public only with written consent of such persons in cases envisaged by the effective legislation.
(4) Persons collaborating with the bodies exercising operative investigation activities are entitled for free assistance as well as for reward.
(5) The state, guarantees to such persons that gave their consent to collaborate with the bodies exercising operative investigation activities on contractual basis observance of obligations envisaged under the contract.
(6) Duration of citizens collaboration on contractual basis with the bodies exercising operative investigation activities is included into the labor record at basic employment and are eligible for pension in compliance with the effective legislation.
(7) With the scope of ensuring security of persons collaborating on contractual basis with the bodies exercising operative investigation activities, members of their families and relatives it is admissible to take special measures in view of protecting them following the procedure established by the Government.
(8) In case of decease of a person collaborating on contractual basis with the bodies exercising operative investigation activities in connection with his participation in preparing and applying operative investigation measures, his family and dependent persons are paid one time indemnity from the state budget worth his upkeeping during a period of 10 years as well as survivor's pension.
(9) In case of getting wound, contusion, mutilation or other trauma, the person collaborating with the bodies exercising operative investigation activities in connection with his participation in preparing and applying operative investigation measures, which deprives him from further collaboration is paid one time indemnity from the state budget worth his upkeeping during a period of 5 years. By virtue of the law such person is granted respective disability pension.

Chapter V
FINANCING OPERATIVE INVESTIGATION ACTIVITY

Article 17. Financing operative investigation activity
(1) Ministries and Departments authorized to exercise operative investigation activity are financed at the expense of the state budget.
(2) Control over spending of funds allocated for carrying out operative investigation activity is done by the managers of the respective ministries as well as by a representative of the Ministry of Finance specially empowered for the purpose.

Chapter VI
CONTROL AND SUPERVISION OF OPERATIVE INVESTIGATION ACTIVITY

Article 18. Parliamentary control
Parliamentary control over the operative investigation activity is exercised by the respective parliamentary commissions. In compliance with the law the bodies exercising operative investigation activities are obliged to submit to said commissions information as required.

Article 19. Supervision exercised by public prosecutor and the examining judge
(1) The control over the legal execution of laws by authorities carrying out operative investigation activity is carried out by the Attorney General, his deputies, the prosecutor of the autonomous territorial unit Gagauzia, prosecutors of cities, raions sector of the city of Chisinau, prosecutor of specialized prosecutor's offices, by other empowered prosecutors, in cases stipulated by the legislation of the criminal procedures, this activity is verified also by the examining judge.
(2) The control shall be carried out only on the grounds of the complaint of the persons whose legitimate rights and interests were violated by operative investigation authorities.
(3) Prosecutors and examining judges who carry out the control over the execution of laws by operative investigation authorities shall have the right to access to the information constituting state secret, granted according to the legislation.
(4) Activity of persons who gave their consent to render confidential assistance to the bodies applying operative investigation measures is found under the supervision of the Attorney General or public prosecutor specially empowered for the purpose by an order signed by Attorney General.

- **Law No 539-XV from 12.10.2001 on fight against terrorism**

Overview

Chapter I
General dispositions

Chapter II
The basis of organization of fight against terrorism activity

Chapter III
The effectuation of the antiterrorism operations

Chapter IV
The damage recovery caused by the terrorist act.
The social rehabilitee of the persons that suffered from a terrorist act

Chapter V
The social and legal protection of the persons that participate in the fight against terrorism

Article 18. The social and legal protection of the persons that participate in fight against terrorism

Article 19. The damage recovery of the persons that participate in the fight against terrorism

Article 20. The absolver from liability for causing prejudice

Article 21. The facilities for counting the seniority in work

Chapter VI
The liability for conducting terrorist activity

Article 22. The liability for conducting terrorist activity

Article 23. The particularities of the judicial procedure civil and penal one, in examining terrorist cases

Article 24. The organization liability for conducting terrorist activities

Chapter VII
Control and Supervision

Article 25. The control over the activity of fight against terrorism

Article 26. The supervision of observing the legislation in fight against terrorism

Chapter VIII
Final and transitorily dispositions

Article 27. The Government obligations

The parliament approves the present law

The present law determine the legal and organizer framework of the of the activity of fight against terrorism from the Republic of Moldova, the way of coordination of the activities of the specialized authorities for combating terrorism, of the actions undertaken by central and local public authorities, by the associations and non governmental organizations, by the persons with responsible duties and by some other persons, as well as the rights obligations and guarantees of the persons in linked with conducting the activity of fight against terrorism.

Chapter I
General dispositions

Article 1. Legal framework of the activity of fight against terrorism

The legal framework of the activity of fight against terrorism is constituted by the Constitution of the Republic of Moldova, The European Convention against repression of terrorism, the principles and norms equally recognized of the international law, international treaties, to which the Republic of Moldova is a part, the present law and other normative acts that regulates the report in this framework.

[Art.1 amended by the law nr.384-XV din 25.11.04 in force from 17.12.04]

Article 2. Principal notions

In the sense of the present law are used the following main notions:

Terrorism - the effectuation of explosions, firers and other actions that create danger for human life or cause serious considerable material damage, or provoke other social serious results in the goal of violation of the public security, population intimidation, or determination of the public authorities or of natural persons to undertake certain decisions, as well as threatening with the same actions in the same goals;

Terrorist activity – actions that include the following:

- planning, preparation, attempt to conduct and conducting a terrorist act;
- Instigation to a terrorist act, to the violence against other natural or legal person, to the destruction of the material objects in the terrorist purposes;
- The constitution of arm illegal unit, a of a criminal community, of an organized grouping the goal of conducting a terrorist act, as well as the participation to such act;
- The joining, arming, and instruction and using of terrorists;
- financing of a terrorist organization or of a group of terrorist as well as supporting the by other means;

International terrorist activity – terrorist activities effectuated by:

- a terrorist, a group of terrorists or by a terrorist organization , on the territory of one or tow states, damaging the interests of those states;
- by the citizen of the state on the territory of another state or on the territory of another state;
- in cases when the terrorist as well as the victim of the terrorist act are citizens of the same state or of different state but the crime was committed abroad;

Offences with a terrorist character:

- Offences accompanied by attempting to illicit capture a plane;
- Offences orientated against the security of civil aviation;
- Serious offences that attempt to the live of the person, corporal integrity or personal freedom that is internationally protected, inclusively of diplomatic officials;
- Offence that has as a goal taking hostage, hijacking illegal sequestration of people;
- Offence effectuated with using of bombs, grenade, rockets, guns, automates of letters or collets, in which measure their using danger for people;
- Attempt to commit one of the offences early mentioned or the complicity to those or to the attempt to commit;

terrorist –implicated person in a terrorist activity in any form;

terrorist group – tow or more persons that associated with the goal of conducting terrorist activity.

Terrorist organization – organization created with the goal conducting terrorist activity, that admit the terrorist activity in its activity.

Organization it is considered to be if one of its structural subdivision conduct terrorist activity;

Fight against terrorism - prevention, determining, suppression of the terrorist activity, and of mitigation of their results;

Antiterrorist operation -special measures orientated to the suppression of terrorist act, for insurance the security of natural persons, for neutralization of the terrorists and to the attenuation and mitigation of their results;

The zone for conducting antiterrorist operation – special sectors of a location, a transport mean, a building, a construction, a placement, a building and its territory in which perimeters is conducted an antiterrorist operation;

Taking hostages -forced detention by a terrorist or terrorist organization of some persons in the goal of forcing of natural and legal persons, public authorities to effectuate their duties.

Article 3. Fundamental principles of fight against terrorism

The fight against terrorism in the republic of Moldova is based on the following principles:

a) legality;

b) the priority of the preventive terrorism measures;

c) inevitability of the punishment for committing a terrorist act;

d)to join the secret and public measures for fight against terrorism;

e)using in complex of the prophylaxis legal, political and social economic measures;

f)the property of protection of the right of persons exposed to danger of a terrorist act, the mineralization of the human life losing;

g) minimum giving up in front of the terrorist;

h) single personal management of arm forces and means used in conducting antiterrorist operations;

i) minimum advertising of the technique procedure, of the tactics of conducting antiterrorist operations and of the members of the participants to those operations.

Article 4. The international cooperation in the framework of fight against terrorism

(1) the Republic of Moldova in accordance with the international treaties to which is a part, cooperate in the framework of fight against terrorism with the competent authorities and the special services of foreign states as well as with international organizations that practice the activity in the mentioned framework.

(2)in the interest of insurance the security of the person, society and state, the Republic of Moldova follow on its territory the involved persons in terrorist activity, inclusively in cases when terrorist acts were planned or effectuated outside of its territory , but brought damages to the state, as well as in other cases foresees by the international treaties , to which the republic of Moldova is a part.

(3)in cases of necessity, the Republic of Moldova, in accordance with the international treaties to which is a part, can request in accordance with the established way, necessary assistance from other states at the effectuation of the actions of deliberation of hostages, as well as can participate in such actions.

[Art.4 amended by Law nr.384-XV din 25.11.04, in force from 17.12.04]

Chapter II

The bases for the organizations of the activity of fight against terrorism

Article 5. The objectives of the activity of fight against terrorism

The activity of fight against terrorism has the following objectives:

a) The protection of the person, society and state, against terrorism;

b) Prevention, determining, suppression of the terrorist activity, and of mitigation of their results;

c) determining and elimination of the causes and conditions of conducting terrorist activities.

Article 6. The authorities that effectuates activity of fight against terrorism

(1) the president of the Republic of Moldova coordinates the entire activity of fight against terrorism.

(2) the Government is the main authority responsible for organization of the activity of fight against terrorism and its insurance with necessary forces means and resources.

(3) the Service of Information and Security of the Republic of Moldova is the national authority that conduct activity of fight against terrorism.

(4) the Antiterrorism Center from the Service of Information and Security of the Republic of Moldova is the competent authority, invested with function of coordination, management, and realization of the measures of fight against terrorism. The regulation, structure and central staff is approved by the Government.

(5)the authorities that conduct activity of fight against terrorism, in the limit of their competence are the following:

a) General Prosecutor Office ;

b) Ministry of Interior Affaires;

c) Ministry of Defense;

d) the Department of Guard Troupes;

e) the Department of Exceptional Situations ;

f) the Service of Protection and State Guard;

g) Customs Service;

h) The Department for Informational Technologies;

i) The department of penitentiary institutions of the Ministry of Justice

(6)as a part of the Service for protection and state guard of the Department of penitentiary institutions of the Ministry of Justice are the specialized structure for fight against terrorism that carry out its activity in common work with the Antiterrorist Center of the Service of Information and Security of the Republic of Moldova.

(7) the local public administration authorities participate in fight against terrorism in the limit of their competence, established by the normative acts and other legislative acts.

(8) at the prevention, determining, and suppression terrorist activities can participate also other public administration authorities, in the limit of their competences in the way established by the Government.

(9) in case of liquidation, reorganization, or change of the name foresees in the present article, their function in the framework of fight against terrorism will be undertaken by their successors.

[Art.6 in the redaction of the law nr.384-XV din 25.11.04, in force from 17.12.04]

Article 7. The empowers of the authorities that effectuate activity of fight against terrorism (1) the General Prosecutor Office conduct activity of fight against terrorism by conducting and exercising criminal investigation .

(2) The Service of Information and Security of the Republic of Moldova and its authorities fight against terrorism by their actions of prevention, searching and suppression of the offences with terrorist character of terrorist activities and suppression, inclusively those that follows political goals as well as the international terrorist activities. In accordance with criminal procedure legislation the Service conduct criminal investigation with terrorism indices, contribute to the insurance of the securities of the institutions from the Republic of Moldova, situated on the territory of another state, of their citizens that ware working in those institutions and of the members of their families, store dates referring on the international terrorist organizations.

(3) the Ministry of Interior Affaires fight against terrorism by prevention, searching, and suppression of the crimes with terrorist character that follows financial purposes.

(4)the Ministry of Defense ensure the protection of the arms munitions, explosive substances military objects and of the air space of the state in case of conducting antiterrorist operations.

(5)the Board Guard Department and its territorial subdivisions fight against terrorism by suppression of the terrorist attempt to pass the state boarding of the Republic of Moldova.

(6) the Department for Exceptional Situations, conduct civil protection actions, organize saving operations , effectuate other urgent measures of liquidation of results of terrorist acts.

(7) The Service of Protection and State Guard ensure the security of natural persons, and of objects that are under the protection, accumulate, analyze and use information on terrorist activity in the goal of prevention searching and suppression the terrorist attempts. The Service collaborate and coordinate their actions with all authorities that conduct activity of fight against terrorism, inclusively with similar authorities from other states.

(8) the Customs Service fight against terrorism by its prevention, searching and suppression actions of the attempts to pass through the state border of the Republic of Moldova arms, explosive, toxic, radioactive substances, and other objects that can be used for effectuating the offences with terrorist character.

(9) the Department of Informational Technologies ensure the informational assistance of the authorities that conduct activities of fight against terrorism, putting at their disposal those informational resources, offering technical specialized assistances, necessary to the creation of data base and informational networks.

(10) the Department of the penitentiary institutions of the Ministry of Justice will accord the necessary support to the suppression of the terrorist act, putting at the disposal of the competent authorities the subdivision with special destination from its order.

[Art.7 amended by the law nr.384-XV din 25.11.04, in force from 17.12.04]

[Art.7 amended by the Law nr.206-XV din 29.05.03, in force from 18.07.03]

Article 8. the main attributions of the authorities that conduct activities against terrorism

The authorities of the central and local public administration, foresees by the art. 6, participate in the establish way in fight against terrorism by effectuating the following:

a) Elaborating and effectuating of the preventive, special, organizing, educative and other measures, in the goal of prevention searching and suppression of terrorist activities.

b) the creation of the departments for suppression of offences with terrorist character and maintaining the good preparation of such systems.

c) the information support of the material, technical and financial, transport and telecommunication means, of the medical equipment and of medicines.

d) the exercising of other attributions in dependent of the requirements of the activities of fight against terrorism.

Article 8/1. The freezing of financial transactions at the order of the criminal investigation competent authorities.

(1) the organizations that effectuate financial transactions are obliged to the indication of the criminal investigation competent authorities to freeze financial means, financial actives and other economic resources of the implicated persons in the commitment or attempt to commit terrorist acts or favoring such actions; of the legal entities dependent or influenced directly by such persons; of the natural and legal persons that activate on behalf or at the order of such persons ,inclusively derived or generated means from the property the belongs t such persons or is controlled of such persons, directly or indirectly, be the mentioned persons, as well as by their associations.

(2) The organizations that effectuate financial transactions, executing the order of the competent criminal investigation authorities are obliged to inform immediately those authorities about the freezing of financial means, financial actives or other economic resources.

(3) the criminal investigation competent authorities are obliged, in the framework of its competence, to execute immediately the necessary actions in order to investigate the search case, with ulterior information of the organization that effectuated the financial transaction about its decision.

[Art.8/1 amended by the law nr.206-XV din 29.05.03, in force from 18.07.03]

[Art.8/1 introduced by the law nr.1120-XV from 13.06.2002]

Article 9. The support of the authorities that conduct activities against terrorism

(1) The central and local public administration authorities, legal persons, indifferent from the type of property, and their juridical form of organization, persons with responsible functions of activity, are obliged to support the authorities that conduct activities against terrorism.

(2)the obligation of each citizen of the Republic of Moldova is the communication of each information known about the terrorist activity and about the circumstances that are linked with those mentioned above, to the competent authorities, information that can contribute to the prevention, searching, and suppression of the terrorist activities, as well as to the mitigation of their results.

Chapter III
The conducting of the antiterrorist operations

Article 10. the management o the antiterrorist operations

(1) For the management of the antiterrorist operations it is created an operative group conducted by the representing persons of the Antiterrorism Center of the service for information and Security of the Republic of Moldova.

(2) The activity of the operative group is regulated by the Regulation-type of the operative group for the management of the antiterrorist operations approved by the Government.

(3) The militaries, specialists are trained in antiterrorist operations, from the beginning of those, are subordinate to head of the operative group.

(4) The head of the operative group establish the perimeters of the zone of conducting the antiterrorist operations and diced on the using of forces and means trained in those purposes.

(5) The intervention of another person is not acceptable, in the management of the antiterrorist operation, indifferent from the function that it is took up.

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[Art.10 amended by the law nr.384-XV din 25.11.04, in force from 17.12.04]

Article 11. The forces and means used in antiterrorist operations

For conducting antiterrorist operations, the operative group has the right to use, in accordance with the established way by the Government, forces and means of the public administration authorities with attributions in fight against terrorism. Those authorities must ensure human forces, arm forces, special and telecommunication means, means of transportation, other necessary technical material resources necessary for conducting antiterrorist operations.

Article 12. The legal regime in the area of conducting antiterrorist operations

(1) in the area of conducting antiterrorist operations, as well as the persons that participate in the antiterrorist operations have the right to undertake the following actions:

a) to take in dependence of the case measures of limitation or temporary interdiction of circulation of transport means and of foot passengers;

b) to control identity acts and other ID documents but in case of their absence to retain the mentioned person for establish their identity and other circumstances;

c) to retain and to bring to the interior affairs authorities persons that committed or have commit offences, or are opposing to the legitimate request of the persons that participate in antiterrorist operations , as well as persons that committed or have commit actions of trickle or attempt to trickle in the area of conducting antiterrorist operations;

d) to enter (trickle) non observed in homes, in other buildings, and on the territory that belongs to natural persons, as well as in buildings and territories of the legal persons, indifferent of their type of property and type of organization, to use transport means that belongs to natural or legal persons in the goal of suppression of the terrorist act, following of the suspect persons in committing a terrorist act, if the postponement can put in danger the half and life of the persons.

e) to effectuate inclusively with using of technical means entering and exit from the area of conducting antiterrorist operations, the control of the transport means of the persons and of their belonging goods;

f) to use in the work interests telecommunication means and transport means that belongs to natural and legal persons, indifferent from their way of organization and type of property.

(2) the activity of the representing person of mass media in the area of conducting antiterrorist operations is managed by the head of the operative group.

Article 13. The negotiations with terrorists

(1) during the conducting of the antiterrorist operations for saving the life and health of the people, material values, for evaluating the possibility to suppression of the terrorist act, without using the forces it is admitted the negotiations with terrorists.

(2) in negotiation with terrorists, are admitted just special empowered by the head of the operative group persons.

(3) can not constitute the object of the extradition of any person, the arm transmitting, other objects and means the using of whish will put into danger the life and health of people, as well as the satisfaction of some political vindications presented by the terrorists.

(4) the negotiations with terrorists can be considered as a base or condition for indemnity for the committed actions..

Article 14.the public awareness about terrorist acts

(1) During the conduction of the antiterrorist operations, the public awareness on a terrorist act are effectuated in the way and size established by the head of the operative or by the representing person responsible for public relations.

(2) Can not be accepted the information diffuses that:

a) Disclose the special technical procedures and the tactic of conduction the antiterrorist operations;

b) Can impede the conduction of the antiterrorist operation and to threat the life and health of the persons from the area of conduction of antiterrorist operations or outside this area;

c) Propagandize and justify the terrorism and extremism;

d) is referring to the specialized for fight against terrorism structure staff, to the member of operative group, as well as to the persons that are under the concourse in conducting antiterrorist operations.

(3) In the activity of informing the public opinion will be ensure the observing of the provisions of the legislation on state secret, as well as the adequate protection of the sources of information.

Article 15. the ending of the antiterrorist operations

(1) the antiterrorist operation is considered to be closed from the moment when it was suppressed the terrorist act and liquidated the danger of life and health of the persons that are in the area of conduction antiterrorist operations .

(2) the antiterrorist operation is declared to be finished by the head of the operative group.

Chapter IV
The damage recovery caused by the terrorist act.
The social rehabilitee of the persons that suffered from a terrorist act

Article 16. The damage recovery caused by the terrorist act.

(1) the caused damaged caused by the terrorist act are recover by the budget of the administrative territorial units on which territory the terrorist act was committed with the ulterior perception in accordance with the legislation of the main amounts, from the persons that caused the prejudice.

(2) if the volume of the caused prejudice by a terrorist act committed on the territory of one or several administrative territorial units exceed the possibility of compensation of those from the budget of the mentioned administrative territorial units, the recovery is made from the state budget, with the ulterior perception in accordance with the legislation of the main amounts, from the persons that caused the prejudice.

(3) the prejudices caused to the foreign citizens as the result of a terrorist act committed on the territory of Republic of Moldova is recovered from the state budget with the ulterior perception of the main amounts, from the persons that caused the prejudice.

Article 17. The social rehabilitee of the persons that suffered from a terrorist act

(1) The social rehabilitee of the persons that suffered from a terrorist act has a goal the revenue to the normal life and foresees the juridical assistance providing, to the mentioned persons, their psychological, medical and professional rehabilitee (as well as the rehabilitee of working capacity), placement in working filed, insurance with living spaces.

(2) The social rehabilitee of the persons that suffered from a terrorist act as well as of the persons foresees in art. 18, is effectuated from the state budgetary resources and of the budget of the administrative territorial, units on which territory was committed the terrorist act.

(3)the way of rehabilitation of the persons that suffered from the results of a terrorist act is established by the Government.

Chapter V
The social and legal protection of the persons that participate in the fight against terrorism

Article 18. The social and legal protection of the persons that participate in the fight against terrorism.

(1) the persons that participate in the fight against terrorism are protected by the state, beneficiate from legal and social protection.

a) militaries, specialists and staff of the public administration authorities that participate or participated in activities of fight against terrorism;

b) the persons that support permanently or temporary to the authorities that conduct activity of fight against terrorism in prevention, searching, and suppression of terrorist activity, as well as in their mitigations;

c) the members of the family of the persons foresees by the let .a)and b) of the present paragraph, in relation to the participation of those in fight against terrorism.

(2) The social and legal protection of the persons that participate in the fight against terrorism is ensured in accordance with the legislation provisions.

Article 19. the prejudice recovery of the persons that participated in fight against terrorism.

(1) the prejudices caused to the health or to goods of the persons foresees by the art.18,in relation to their participation in fight against terrorism are recovered in accordance with the provisions of the legislation.

(2) In cases when during the conduction of antiterrorist operations the person that participate in fight against terrorism loose his life, to his family or to the persons that were maintained by him are paid a unique material support equivalent with the financial means of maintenance during 10 years. Beside this, during 5 years from the day of decease of the mentioned person to the maintained persons are paid monthly financial means of maintenance of the deceased person, with the salary indexation. After the expires of 5 years, to the maintained persons by the deceased person are established a pension of fellow established in accordance with the legislation in force, keeping in the same time the privilege the decedent persons benefited.

(3) to the person that participated in fight against terrorism and that during the conduction of operations was mutilated, in the result of which he becomes an invalid, it is accorded in accordance with the legislation in force a unique support from the state budgetary resources, in dependence of its legal statues, and it is establish the proper pension.

(4) to the persons that participated in fight against terrorism and during the conduction of antiterrorist operation was injured, but this injured did not caused the invalidity, it is accorded in the established way of the legislation in force a unique support from the account of state budgetary means.

Article 20. The absolver from liability for causing prejudice

(1) During the conduction of the antiterrorist operations it is admitted on the base and limits established by law, the forced prejudice of the health and of goods of the terrorists.

(2) The persons that participate in fight against terrorism are absolved from liability for the prejudiced caused during the conduction of antiterrorist operations.

Article 21. Facilities in calculating the seniority in work

To the military, specialists and staff that satisfy, or satisfied work in specialized structure for fight against terrorism the seniority for calculation the pension is calculated in the following way: a day and a half for a day of work, three days for one working day in the period of participation in the antiterrorist operations.

Chapter VI
The liability for conducting terrorist activity

Article 22. The liability for conducting terrorist activity

The persons guilty for conducting terrorist activity are accounted in accordance with the legislation in force.

Article 23. The judicial, penal and civil procedure peculiarities in examining terrorist cases:

By the decision of the court, the terrorism cases, as well as the prejudice recovery cases caused by the terrorist activity can be examined in the closed judicial sessions, with the observation of the judicial procedure norms.

Article 24. The liability of the organization for conducting terrorist activity

(1)the organization is considered to be a terrorist one and it is liquidated just on the base of the decision of court. in cases of a recognition of an organization as a terrorist, their goods are confiscated in favor of the state.

(2) in cases when the court has recognized as a terrorist an international organization incorporated abroad, the activity of this on the territory of Republic of Moldova well be interdicted, the office, branch or representation of this organization will be liquidated, but its goods will be confiscated in favor of the sate.

Chapter VII
Control and supervision

Article 25. The control over the activity of fight against terrorism

The control over the activity of fight against terrorism is effectuated by the parliament of the Republic of Moldova, by the Government and the judicial authorities, in their limits of competence.

Article 26. the supervision of the legislation of fight against terrorism

(1) the supervision of the legislation of fight against terrorism is exercised by the General Prosecutor Office and by the court in the established way foresees by the criminal procedure.

(2) the General prosecutor office, in limits of its competence, undertake preventive, measures of terrorist acts, conduct or in dependence of the case effectuate the criminal investigation of the terrorist criminal cases.

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[Art.26 amended by the law nr.206-XV din 29.05.03 in force from 18.07.03]

Chapter VIII
Final and transitory dispositions

Article 27

The Government, in term of 2 moths:

- Will present to the Parliament proposal for harmonization the legislation to the provisions of the present law.
- Will adopt normative acts that will insure the execution of the provisions of the present law.
- . c) Will ensure the revising and abrogation by the ministers and departments of their normative acts that are not in line with the provision of the present law.

PREŞEDINTELE PARLAMENTULUI **Eugenia OSTAPCIUC**

Chişinău, 12 of October 2001.

Nr. 539-XV.

Legile Republicii Moldova
539/12.10.2001 Lege cu privire la combaterea terorismului ***//Monitorul Oficial 147-149/1163, 06.12.2001***

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- **Law No 1104-XV of 06.06.2002 on Instituting Center for Combating Economic Crimes and Corruption**

Chapter I
GENEERAL PROVISIONS

Article 1. The Center for combating economic crimes and corruption.

The Center for combating economic crimes and corruption (hereinafter referred to as the Center) is a specialized law-enforcement body designed to prevent financial-economic and tax offences as well as acts of corruption.

Article 2. Legal frameworks

The legal frameworks underlying activities displayed by the Center shall be the Constitution of the Republic of Moldova, the present law as well as other regulatory acts and international agreements to which Moldova is making part.

This law complements the provisions of Law No. 158-XVI of 4 July 2008 on the public and civil servant status, the labor law, with provisions of civil law, criminal or administrative, depending the case, within the framework of the provision of the Low on the Center.

Article 3. Principles of activity

The Center shall carry out its activity on the basis of principles as follows:
legality;
observance of basic human rights and freedoms;
expediency;
combining public and secret methods and facilities;
combining undivided authority and collegiality;
cooperating with other public authority bodies, public institutions and individuals.

Article 4. Structure of the Center

The Center is an integral centralized body encompassing central apparatus and its local level subdivisions.

The structure of the Center, the number and location of its local level subdivisions and area coverage of their activity shall be approved by the Government upon such proposal as advanced by the manager of the Center.

The Center and its local subdivisions are the legal entities and have their independent treasury accounts and other required requisites.

(4) Allocation of local subdivisions of the Center shall not necessarily correspond to administrative-territorial division of the Republic of Moldova.

Chapter II
OBJECTIVES, OBLIGATIONS AND RIGHT OF THE CENTER

Article 5. Objectives of the Center

The objectives of the Center are as follows:

preventing, disclosing, investigation and contend financial-economic and tax offences;

counteract corruption and protectionism;

counteract legalization of material values and laundering illegally gained money;

d) carrying out anti-corruption laws expertise of draft regulations and draft Acts of the Government for their compliance with state policies on prevention and fight against corruption.
(2) The objectives pursued by the Center are comprehensive and can not be modified or amended unless in virtue of the law itself.

Article 6. Obligations of the Center

In order to execute entrusted objectives the Center shall proceed as follows:

a) carry out its activity in strict compliance with the Constitution of the Republic of Moldova, being guided by the present law as well as other relevant regulatory deeds;

b) carry out in compliance with the effective legislation efficient search activity;
c) take measures to prevent, disclose and contend cases of corruption and protectionism, including anti-corruption expertise of draft laws and normative acts of the Government, the principles, criteria and procedure for making it;;

d) carry out inquiries prosecution and preliminary investigation of offences referred to its competencies;

e) carry out proceedings on administrative contravention referred to is competencies;

g) take measures on restituting losses incurred to the state as a result of offenses preventing which is referred to the competencies of the Center;

h) receive and register claims, notifications, appeals and other such information on offences and carry out check ups on such in compliance with the established procedure;

i) ensure security of activity and protection of its personnel against encroachments while fulfilling their service duties;

j) carry out within the frameworks of its competencies measures on counteracting legalization of material values and laundering illegally gained money;

k) to take actions to ensure the integrity of goods without a master, identified by its organs, their possession until the transmission line body;;

l) ensure training, retraining and refreshment of skills with engaged personnel;

m) in compliance with the effective legislation keep record of persons liable under military service passing services with the Center and making part of its staff;

n) ensure safeguard and safety of information referred to state, banking, commercial and other secrets found under legal protection and made known to the Center employees in the course of fulfilling duties entrusted to the Center. Such information can be disclosed to other public authority bodies in compliance with the law only.

Article 7. The rights of the Center

(1) With the scope of fulfilling entrusted objectives and obligations the Center enjoys the rights as follows:

a) carry out efficient-search arrangements, attract citizens to confidential cooperation, use cover up documents and dispose of provisional lock up ward for conducting investigation in compliance with the law;

b) prosecuting an inquiry and preliminary investigation;

c) make out minutes on administrative contravention referred to its competency;

d) arrest in compliance with the law persons, suspected of offence, referred to its competencies, hear out their explanations, effect personal examination , examination and confiscation of their personal effects and documents, apply other such measures as envisaged under the law;

e) appoint, in connection with examination of duly registered claims or notifications on offences referred to its competencies, prosecuting an inquiry or investigation on such offences, examining financial-economic activity and carrying out tax audits with both natural and legal persons engaged in entrepreneurial activity, irrespective of the form of property and type of activity displayed by the latter; in the course of examinations and audits to seal cash in vault, cash machines, premises and places of safe-keeping

documents, cash and material values. Provisions for carrying out examinations shall be approved by the Government;

f) In the fiscal controls made in the criminal investigation, tax authorities have rights and its employees - Civil rights tax, including the right to calculate tax liability and forced to execute it, as prescribed by tax legislation;

g) during examination of financial-economic activity and tax audits, prosecuting inquiries and conducting preliminary investigations enjoy free access, and in case of obstruction, to penetrate into premises in the territory or land plots owned by natural and legal persons engaged in entrepreneurial activity irrespective of the type of property and business or location (except for foreign diplomatic representation offices and consular institutions); to conduct in presence of the proprietor or his authorized representative and in case of his absence or refuse to attend – with participation of local public administration representatives examination of said objects, including means of transportation, check up and/or withdraw required items, material values and documents. Penetration into residence against the will of its inhabitants shall be done in cases when executing sanction of arrest or court rulings;

i) to request with autorotation of superior of specialized division and receive from public authorities, legal entities and individuals the documents, writings, materials and data required to carry out the powers to prevent and analyze the acts of corruption and related offences and examination of the requests or the disclosures regarding contraventions and offences related to the its competence, registered as required.

j) attract experts engaged by public authority bodies, state enterprises, organizations and institutions to carrying out examinations and expertise, clearing certain specific issues;

k) carry out in compliance with the law photography, taping, cinema- and video recording, dactyloscopy and registration of persons subjected to detention or arrest;

l) demand from managers of controlled enterprises to carry out inventory of material values and cash and collating mutual offsets, duly submission of technical-regulatory and accountancy documentation regulating and confirming transactions on use of tangibles and cash;

m) ascertain violation of financial-economic and tax legislation and apply sanctions stipulated under the law;

o) increase in cases that can not be postponed, the records of subjects of entrepreneurship, entered false documents, goods without a master, objects and documents, based on information, until the final settlement of the case;

p) in compliance with the effective legislation appeal with the statement of claim to a judicial instance;

r) participate in the elaboration and improvement of legislation in what refers to averting and suppressing economic crimes and corruption;

s) to request and receive information from public authorities and advisory support necessary to carry out anti-corruption expertise of draft laws and draft normative acts;

t) in accordance with the provisions of the law to appeal with statements on exclusion of causes and conditions that favorite the commitment of the crimes that falls under its competence
u) based on inter-governmental agreements (conventions) carry out exchange of information on economic relationships established by natural and legal persons of the Republic of Moldova and natural and legal persons of other countries;

v) using mass media with the scope of establishing circumstances of offences and searching for persons escaping from inquest, investigation and prosecution.

(2) In cases of disclose of law violations decisions and resolutions on accrual of tax liabilities, application of penalties and other sanctions shall be taken by the managers of the Center and its local subdivisions as well as by their deputies.

Chapter III
ORGANIZATION OF CENTER'S ACTIVITIES COMPETENCIES OF CENTER'S DIRECTOR

Article 8. Organization of Center's activity.

(1) The Center is managed by its Director appointed by the Government for a term of four years.

(2) Director of the Center (hereinafter referred to as Director) shall be entitled to take part in Government sittings.

(3) Director has his deputies appointed and dismissed by the Government upon submission of the respective application by Center's Director.

(4) Created with the Center shall be the Collegium. Number of personnel and composition of such shall be approved by the Government upon submission of the respective application by its Director.

(5) The Center is independent in determining the plan of its activity and in carrying out its competencies.

Article 9. Director's competencies.

The Director's competencies are as follows:

a) organizing and ensuring activities displayed by the Center and its local subdivisions, activities displayed by the Collegium and bears personal responsibility for the fulfillment of objectives entrusted to the Center;

b) determining and distributing functional duties between his deputies and managers of structural subdivisions of the central apparatus;

c) determining fields of activity to be covered by Center's local subdivisions;

d) approving staff of central apparatus and its local subdivisions in compliance with the structure and within the number of personnel approved by the Government;

approving financing programs within budget allocations envisaged under the law of budget for the respective year and submitting such for approval to the Ministry of Finance;

f) ensure the confidentiality regime and conspiracy

approving internal routine rules for the Center;

h) issuing, on the basis and for the purpose of executing the present law, respective orders, resolutions and instructions;

i) organizing selection, assignment and training of personnel;

j) conferring respective ranks to Center's employees;

k) issuing orders on appointing and dismissal of Center's employees;

l) ensuring measures of incentive and applies disciplinary punishment onto Center's employees in compliance with the effective legislation and other regulatory acts;

m) representing the Center in its relationships with other public authority bodies as well as with the similar structures in other countries;

n) canceling or making changes in orders, decisions, resolutions and instructions issued by the managers of local subdivisions of the Center in cases when such are contradicting to the effective legislation and other regulatory acts.

The Director is entitled to proceed as follows:

delegate part of his functions to other employees of the Center;

b) bring to the Government proposals on changing the structure of the Center with the scope of improving its activity.

Article 10. Financing and logistics

The financing and logistics of the Center are ensured at the expense of the state budget allocations.

Chapter IV
ENROLEMENT WITH THE CENTER STAFF

Article 11. Employees

(1) Center's employee shall be considered a person enrolled with one of its bodies and entrusted with certain rights and obligations with the scope of fulfilling objectives entrusted to the Center and to whom special rank has been conferred in compliance with the procedure established under the present law.

Likewise employed by the Center can be public servants to whom conferred in compliance with effective legislation shall be respective class ranks as well as technical personnel;

Civil servants working at the Centre subject to the regulations of the Law no.158-XVI on July 4, 2008 public function and status of public servants and contractual personnel, performing auxiliary subjected labor law regulations. (In cadrul Centrului activeaza functionari publici supusi reglementarilor lEGII NR.158-xvi din 4 iulie 2008 cu privire la functia publica si statutul functionarului public, si personal contractual, care desfasoara activitati auxiliare, suspus reglementarilor legislatiei muncii.)

Article 12. Enrolment conditions

(1) Enrolled with the Center can be citizens of the Republic of Moldova who are capable by their personal or professional qualities of fulfilling objectives pursued by the latter with high school or secondary education background in financial, accounting or juridical domain and health condition allowing them to perform duties in the respectively occupied position.

(2) Persons whose appointment to the respective position envisages special expertise can not be employed with the center if aged over 30 or respectively over 35 for being employed with medium and high level managerial positions. Employment shall be done following conditions and terms established by the Collegium.

(3) Enrolment with the Center is voluntarily and shall be done in compliance with the law by signing individual employment contract.

(4) In compliance with the effective legislation a certain probation period can be established for persons enrolled with the Center. Days when missing due to temporary incapacity to work or any other reason envisaged under the law shall not be included into probation period.

(5)Candidates for enrolment with the Center shall be subjected to thorough check up.

(6) The employment service, employees are subject to mandatory state fingerprint registration in accordance with the law.

Article 13. Limitations

(1) Any person with prior convictions, including cases of cancelled convictions, or such freed from penal responsibility under amnesty, as well as such recognized under the law as incapable of act or with limited capacity of act can not be employed with the Center.

(2) The Center's employee can not:

a) take another paid position except for such bound with teaching, scientific or creative activity;

b) be involved in entrepreneurial activity personally or through the third parties;

c) share membership in managerial bodies of an enterprise;

be the solicitor or third parties representative with the Center's bodies;

e) use outside service duties financial resources, logistics and information provisions, other state assets as well as service information;

f) use service position in the interest of parties, other social and political associations, including trade unions and religious organizations.

(3) In compliance with the effective legislation for the duration of employment with the Center its employee is obliged to transfer into trust management to another person his interest (package of shares) held in the statutory capital of the enterprise.

(4) In case of violation of the provisions set out under the present article or commencing any action incompatible with the position taken, the Center's employee shall be dismissed irrespective of the time of commencing such action.

Article 14. Employment certificate and uniform

(1) Following the established procedure issued in are of Center's employees shall be employment certificates, badgers and personal seals, the specimens of which shall be defined by the center. Employment certificate shall certify the right of the respective employee for wearing and safekeeping service weapon and special means, other rights and competencies granted by the law.

Center employees enjoy free uniform. The specimen of the uniform, distinguishing badges and uniform provision rates shall be approved by the Government. The procedure of wearing uniform shall be established by the Director of the Center.

Chapter V
CONFERRING SPECIAL RANKS

Article 15. Special ranks

(1) The Center's employees are the officers and warrant officers conferred to whom can be the following special ranks:
warrant officer;
senior warrant officer;
lieutenant;
senior lieutenant;
captain;
major;
lieutenant-colonel;
colonel;
major-general;
lieutenant-general;
colonel-general.

(2) The following special ranks correspond to each complement of staff:
junior complement: warrant officer, senior warrant officer;
medium managerial complement: lieutenant, senior lieutenant, captain;
senior managerial complement: major, lieutenant-colonel, colonel;
superior managerial complement: major-general, lieutenant-general, colonel-general.

(3) The list of positions with the Center and respective special knowledge to match the position are established by the Government.

(4) Special ranks with the Center's employees shall be equaled to the respective military or other special ranks.

(5) Special ranks shall be conferred for the life time. When reaching the age of retirement added to the rank shall be "retired servicemen".

Article 16. General conditions of conferring special ranks.

(1) Special ranks are conferred personally taking into account qualification and professional expertise of Center's employee, length of service and position occupied, as well as other conditions envisaged under the present law.

(2) Special ranks ranging from major-general and up as well as special rank to Center's Director shall be conferred by the President of the Republic of Moldova upon submission of application by the prime-minister.

(3) Special ranks up to colonel inclusively shall be conferred by the Center's Director.

(4) Special ranks conferred to Center's employees are subdivided into initial and ordinary.

(5) When appointing to a position envisaged for which is the requirement of conferring special rank of a major and higher, initially conferred can be special rank not higher than major, unless the person in question has been prior conferred higher class rank of public servant, special or military rank.

(6) The ordinary special rank is conferred in succession and in compliance with special rank envisaged by the position taken upon expiry of the established term of service holding previous special rank.

(7) The ordinary special rank up to colonel inclusively can be as well conferred when attending profile educational institution (recommended by the Center) in compliance with position taken prior to entering schooling institution. Upon graduation from schooling institution or post-graduate study the ordinary special rank is conferred irrespective of prior taken position.

(8) Establishing other than herewith-specified procedure of conferring special ranks is inadmissible.

Article 17. Conferring initial special ranks.

(1) The initial special rank of warrant officer is conferred upon enrollment with the Center services and appointment to position corresponding to special rank of warrant officer or senior warrant officer.

(2) The special rank of lieutenant is conferred to Center employees having high school background, appointed to respective position and corresponding to special rank beginning with lieutenant and up.

(3) A person having military rank or special rank conferred by other public authority body, being enrolled with the Center services and appointed to a position shall be conferred special rank corresponding to prior conferred military or special rank if in compliance with the present law any higher rank can not be conferred.

Conditions of compliance of military and special ranks to special ranks of the Center shall be defined by the Government.

Article 18. The oath

(1) Within 10 days after initial special rank has been conferred Center's employee shall take the following oath:

"Having joined the Center for combating economic crimes and corruption I am herewith taking this oath to serve the people of the Republic of Moldova, making commitment to rigorously observe the Constitution as well as other laws of the state, to secure citizens' rights and freedoms and to voluntarily fulfil my service duties.
I swear to overcome the difficulties with dignity, be honest, courageous, display vigilance and use all my knowledge to ensure economical security of the Republic of Moldova, and to strictly observe the state and service secret.
And shall I break the oath I am prepared to bear responsibility envisaged under the law".

(2) The procedure of taking the oath shall be defined by the Director of the Center.

Article 19. The length of service in special ranks.

Applicable to the length of service in special ranks are as follows:

a) warrant officer	1 year;
b) lieutenant	2 years;
c) senior lieutenant	3 years;
d) captain	3 years;
e) major	4 years;
f) lieutenant colonel	4 years.

(2) The length of service in special ranks of warrant officer, colonel and higher is not established.

(3) For the employees having high school background and passing services with the Center in the speciality conferred upon graduation and which is specific for the activity displayed by the Center, the length of service in special rank of lieutenant is 1 year.

(4) The ordinary special rank corresponding to the position taken shall be conferred to Center employee upon expiry of service in prior conferred rank.

Article 20. Length of service

(1) The employees remain enrolled with the Center until they reach the following age limits corresponding to special rank:

a) from warrant officer up to captain	45 years;
b) from major up to colonel	50 years;
c) major-general	55 years;
d) lieutenant-general and colonel-general	60 years.

(2) The age limit for public servants and technical personnel shall be established by the effective legislation.

(3) The service term with the Center in excess of age limit can be extended for up to 5 years upon employee's request by the person or body authorized to appoint for position, provided said employee is found fit for service with the Center by medical examination commission.

(4) Liable under military service enrolled with the Center as employees shall be taken off the military registration record in compliance with the legislation and transferred with the Center's staff.

Article 21. Delay in conferring ordinary special rank.

The ordinary special rank is not conferred in cases as follows:

a) found at Center's disposition prior to being appointed to a position;
found under disciplinary punishment until such is canceled;

found under service investigation in connection with infringement of service discipline or charged with penal responsibility until service investigation is over or penal case is closed (except for cases when freed from penal responsibility under amnesty act) or court ruling of non guilty. In cases when infringement of service discipline finds no confirmation or when penal case is cancelled on rehabilitative grounds or court ruling of non guilty the ordinary special rank is conferred as of the day when grounds occurred for conferring such.

Article 22. Specific issues of conferring special ranks and estimation of the length of service in case of employees transferred to the Center.

(1) The public servant transferred to Center bodies shall be conferred special rank corresponding to prior conferred one irrespective of his position taken with the Center.

(2) The public servant transferred to the Center bodies to take position of a public servant shall preserve prior conferred special rank or class or higher class rank in case his position taken with the Center is higher.

(3)The length of service calculated on previous employment with public authority bodies as well as such in taking positions in financial, economic, accounting or juridical fields shall be enrolled into length of service with the Center.

(4) Length of special military ranks and special ranks include the length given in the central.

Chapter VI
PASSING SERVICES WITH CENTER BODIES

Article 23. The rights of an employee

(1) When fulfilling service duties an employee of the Center within the frameworks of occupied position has the rights as follows:

a) to receive as per established procedure information and materials required to fulfill his service duties;

b) to get familiar with the documents defining his rights and obligations as well as with criteria of quality evaluation when passing services with the Center;

c) to take decisions and/or participate in preparing drafts of certain decisions;

d) to advance proposals on improving activities displayed by the Center;

e) to take part in contest for replacing vacant positions with the Center's bodies;

f) to get familiar with materials of his personal case, references on his performances as well as with other documents and to submit explanations to be annexed to his personal case;

g) to rise qualification at the expense of resources allocated by the Center for the purpose;

h) to demand service investigation to be carried out in order to disproof data discrediting his dignity and depriving his rights;

i) to participate in meetings held by the Center;

j) to keep specially assigned service weapon, to use physical force, special means and service weapon observing the procedure in cases set out under the present law;

k) to receive financial, material, medical, pension and other types of provisions envisaged under the effective legislation.

(2) The Center's employee is entitled to enjoy other rights envisaged by the effective legislation.

Article 24. The obligations of an employee

The employee of the Center has obligations as follows:

a) to observe Constitution of the Republic of Moldova, provisions set out by the present law as well as other regulatory acts;

b) to provide for observance and protection of basic human rights and freedoms;

c) to fulfill lawful orders and instructions of his superiors;

d) to observe internal routine rules of the Center, procedure of using service information, fulfill other instructions, provisions and regulatory acts;

e) to keep state and other law protected secrets, not to divulge information became known in connection with fulfilling service duties, including such touching private life, honor and dignity of the citizens.

(2) The obligations of the Center's employee are defined by the office circular approved by its Director.

(3) Referred to fulfillment of service duties by Center's employee are as follows:

a) carrying out provisions set out under regulatory acts issued by the central public authority bodies and referred to activities displayed by the Center;

b) executing orders and instructions of superiors issued in compliance with their competencies except for deliberately illegitimate ones;

c) carrying out service duties within the established work hours or extra hours if such is called for by service necessity as well as attending to studies with schooling institutions recommended by the Center;

d)) taking part in assembly, exercise, contests and other arrangements initiated by the Center or displayed with Center's participation;

e) taking part in actions on preventing and liquidation of consequences of natural calamities, emergencies and catastrophes;

f) protecting own and other persons life and bone, honor and dignity;

g) travelling to and from the place of service, being on a business trip or medical care;

being kept hostage in connection with fulfilling service duties;

i) missing until officially recognized as missing or declared deceased in compliance with the procedure established under the law;

j) attempting other actions recognized by the judiciary instance as committed when performing service duties.

Article 25. Attestation

(1) Attestation is carried out with the scope of evaluating the level of professional qualification and fitness to the occupied position.

(2) Attestation, as a rule, takes place once every 3 years, but not less than once every four years and not earlier than one year from the assignment.

(3) The procedure of attestation shall be established by the Government.

Article 26. Conditions and extent of applying physical force, special means and service assigned weapon.

(1) The Center's employees shall be entitled, following respective training, to hold and use service assigned weapon and special means within the limits and following the procedure established under the present law.

(2) Application of physical force, special means or service assigned weapon shall be preceded by warning on intention to make use of such and allowing for sufficient time for response, with exception of cases when delay in applying physical force, special means and service assigned weapon may generate direct danger to life and bone of citizens and/or Center's employee or may lead to grave consequences.

(3) Service assigned weapon shall not be used against women and minors, elderly persons or such having evident physical deficiencies, except for the cases when such persons are attempting joint assault menacing peoples' life and bone and such actions can not be stopped by other ways or means.

(4) In case of applying physical force, special means or service assigned weapon, the Center's employee is obliged to notify on the case to his superior as well as to prosecutor.

(5) Exceeding by the Center's employees their attributions with regards to application of physical force, special means and service assigned weapon implies responsibility set out under the effective legislation.

(6) Physical force, including special fighting methods shall be applied to defeat resistance opposed to legal requirements in case when non-violent methods are not sufficient for ensuring fulfillment of obligations.

(7) Means of immobilizing (s.a. handcuffs, batons, tear gas, etc) shall be applied in cases as follows:

a) averting assaults attempted on Center's employees and other persons found on duty;

b) arresting and delivering to Center's office or other service premises persons that have committed offence, escorting and holding arrested persons if such refuse to subordinate or oppose resistance to Center's employee as well as in case when there are grounds for suspect that they can escape, cause prejudice to persons in their vicinity or to themselves.

(8) Type of special means and severity of application shall be chosen by Center's employee depending on situation created, nature of offence and delinquent's identity.

(9) The service assigned weapon shall be used by Center's employee as an extreme measure in cases as follows:

a) for self defense against assaults implying real threat to life or bone, as well as for preventing capturing of service assigned weapon through violence;

b) for halting group or armed assault against Center's employees and other employees of the Center on duty, as well as halting any other assaults of other nature threatening their life and bone;

c) for arresting person opposing armed resistance or a delinquent escaping from arrest as well as of armed person that refuses to subordinate to the order of lay down his arm, when it does not seem possible to halt resistance or arresting a delinquent by any other means.

(10) Shooting above the target shall be considered application of arm.

(11) The arm can be used without prior warning in case of unexpected assault with use of wrestling technique and/or means of transportation.

(12) In all cases of applying physical force, special means and service assigned weapon, the Center's employee shall take all possible precautions to ensure citizens' safety and to minimize prejudices inflicted to their bone, honor, dignity and property as to extend first aid assistance to the victims.

Article 27. Responsibility of employees

For commencing illegal activity, Center's employees shall bear disciplinary, material, administrative and penal responsibility in compliance with the effective legislation.

Article 28. Appeals against actions attempted by the employees

Appeals against actions attempted by Center's employees which may cause prejudices to citizens rights, freedoms and their legitimate interests shall be examined and resolved in compliance with the legislation.

Article 29. Remedy of prejudice caused by the employees

In case when Center employee offenses the rights, freedoms and legitimate interests of natural or legal persons, the Center shall take measures of rehabilitation and remedy the prejudice in compliance with the legislation.

Article 30. Incentive

In order to ensure conscientious fulfillment of service duties certain incentives can be extended through the following:

expressing thanks;
rewarding w/bonus;
gift of value;
Diploma of Honor of the Center for Combating Economic Crimes and Corruption;
Decoration with badges: "Exemplary of the Center for Combating Economic Crimes and Corruption" and "Honored Collaborator of the Center for Combating Economic Crimes and Corruption";
Premature canceling of disciplinary sanction.

(2) For courage in executing service duties and in view of ensuring economic security of the Republic of Moldova, for other special merits to the country, the employees can be rewarded with state distinctions or with honorable titles of the Republic of Moldova in compliance with the legislation.

(3) Regulation on badges "Exemplary of the Center for Combating Economic Crimes and Corruption" and "Honored Collaborator of the Center for Combating Economic Crimes and Corruption", as well as Diploma of Honor of the Center for Combating Economic Crimes and Corruption shall be approved by the Collegium.

Article 31. Application of disciplinary sanctions

Applied for violation of service discipline shall be disciplinary sanctions as follows:

observation;
reprimand;
austere reprimand;
retrograding from special rank or function;
warning on partial unfitness for the service;
dismissal from service.(eliberarea de la serviciu)

Chapter VII
DISCONTINUING SERVICES WITH THE CENTER

Article 32. Ground for discontinuing services with the Center.

(1) Services with Center can terminate in case of dismissal or decease.

Dismissal can occur in cases as follows:
upon submission of application;
due to old age;

upon expiry of individual employment contract;
in case of transfer to another public authority;
in case of being elected to a function with another public authority;
in case of winding up one of the Center's body or staff redundancy;
in case of incapacity to fulfill attributions confirmed by medical examination findings;
in case of failure to prove fitness to the occupied position confirmed by attestation commission, in case of no inferior vacancies or refusing to accept proposed assignment;
for committing offence and being condemned through definite court ruling;
in case of revocation of the citizenship of the Republic of Moldova or holding citizenship of another country;
in connection with the concealment of facts that prevent hiringemployees; (în legătură cu tăinuirea unor fapte care împiedică angajarea în serviciu);
for an offense and conviction by final court decision; (pentru comiterea unei infracţiuni şi condamnare prin sentinţă judecătorească definitivă);
in other cases envisaged under the legislation.

(3) It is not admitted to dismiss an employee when on holidays or on medical leave with exception of cases envisaged under par. (2) item h).

Article 33. Benefits in case of dismissal

(1) In case of dismissal under provisions set out in Art. 32, par. (2) items b), g), the employee is eligible to get one time benefit depending on the length of service as follows:

a) from 2 to 10 years	5 average monthly salaries
b) from 10 to 15 years	10 average monthly salaries
c) from 15 to 20 years	15 average monthly salaries
d) over 20 years	20 average monthly salaries

(2) One time benefit to an employee awarded with state distinctions during the period of services within the Center shall be increased by 2 average monthly salaries.

Chapter VIII
LEGAL AND SOCIAL PROTECTION

Article 34. Legal protection

(1) Center's employee is inviolable person found under state protection. The person, its honor, and dignity are protected by the law.

(2) The employee is entitled to protect his rights and interests with the court of law.

(3) The employee shall not be liable for material prejudice inflicted to the offender in connection with the latter's refuse to subordinate or opposing resistance when arrested.

Article 35. Inadmissibility of interference into employer's activity

(1) When fulfilling service duties the employee shall be subordinated to his immediate superior exclusively. None of other persons shall be entitled to interfere with activities displayed by the employee.

(2) In case of receiving from his superior or other officials orders or instructions contradicting to the legislation, the Center's employee shall be guided by the Law.

(3) Center employee's demands to citizens and official persons as well as actions taken are recognized legitimate until otherwise established by the authority entrusted to carry out control over his activity.

Article 36. The right of taking professional risk

(1) Actions attempted by Center's employee if done under conditions when taking professional risk was justified shall not be considered violation despite of the fact that it may contain features, which imply disciplinary, administrative or penal responsibility.

(2) The risk shall be considered justified if said action was commenced by Center's employee arising from information, facts and circumstances that were made known to him, while the legitimate objective could not have been achieved without such risk and provided employee made all possible precautions to prevent negative consequences.

Article 37. Pension provisions

Retirement in case of Center's employee shall occur in compliance with the effective legislation.

Article 38. Social welfare

(1) In case when an employee is killed while on duty his family and his dependent persons are eligible for one time allowance to the size of ten-years salary earned in his last position taken with the Center. Minor dependent children of the deceased one enjoy additional monthly allowances to the size of average monthly salary of the deceased in his last position until they reach the age of 18.

(2) In case when an employee gets corporal injuries while on duty and provided their gravity excludes further fulfillment by the latter of his service duties such an employee is eligible for one time benefit to the size of 5-years salary earned in his last position plus pension.

(3) In case when an employee gets corporal injuries while on duty with less grave consequences as these specified under paragraph (2) above, such an employee is eligible for one time benefit to the size of 5 average monthly salaries.

(4) Prejudices inflicted in connection with fulfillment of service duties by Center's employee, or such inflicted to his property or close ones shall be fully recuperated.

(5)Paying out benefits and recuperation of prejudices inflicted shall be done at the expense of state budget resources with the right of regressive collection of such from the offenders.

(6) Benefit is paid out based on court ruling or statement made by the investigation authority or prosecutor in cases when penal case is ceased or when penal investigation is suspended.

Article 39. Mandatory insurance

(1) Center's employees are subject to mandatory insurance at the expense of state budget and other funds envisaged for the purpose.

The insurance cover is paid out in cases as follows:

a) in case of insured person's decease while on duty or prior to expiry of one year after dismissal from one of the Center's bodies in connection with corporal injuries or contusions inflicted to the latter while fulfilling his service duties as well as diseases caused by fulfilling said duties – to his hires to the size of 10 average monthly salaries calculated for the last year in service;

b) in case of establishing disability grade to the insured employee, provided such was in connection with fulfilling service duties or in case disability grade is established within one year after dismissal from the center the cover is paid out as follows:

7.5 average monthly salaries to disabled grade I;
5 average monthly salaries to disabled grade II;
2.5 average monthly salaries to disabled III;

c) in case grave corporal injuries are inflicted to the insured one when fulfilling his service duties – cover is paid to the size of annual salary and in case of medium gravity corporal injuries the cover paid out is worth half yearly salary.

(3) The size of annual salary is calculated based on the last position taken with the Center and includes all cash payments due during the year in which insurance case occurred.

(4) Other conditions of mandatory insurance of Center's employee shall be defined by the agreement signed between the Center and the insurance company.

Article 40. Income taxation

For the service center, employees receive compensation for maintenance, food ration and equipment;

Maintenance allowance received by the Center consists of salary, wages for special grade, salary increase, in percentage, for seniority, for working in special conditions, other payments, bonuses and awards, established by legislation;

(3) In exchange for food rations and equipment, the Center may receive monetary compensation according to the rules established by the Government.

Article 41. Holidays

(1) The public servants and technical personnel are granted holidays in compliance with the effective legislation.

(2) The Center's employees are granted holidays following the below procedure:

a) annual for the duration of 30 working days;

b) extra:
5 working days in case the length of service is 10 years;
10 working days in case the length of service is 15 years;
15 working days in case the length of service is 20 years and more;

c) medical leave is granted based on certificate issued by the medical institution. For the duration of medical leave the employee is paid his average salary.

(3) In compliance with the effective legislation Center's employees may enjoy other holidays.

Chapter IX
CONTROL AND SUPERVISION

Article 42. Control and supervision over the activity displayed by the Center.

(1) Control and supervision over the observance of legitimacy by Center's employees when fulfilling their service duties shall be carried out by the prosecutor's office in compliance with the effective law.

(2) Control over spending of budget resources allocated for maintenance of the center shall be carried out by the Chamber of Accounts.

Chapter X
FINAL AND TRANSITORY PROVISIONS

Article 43.

The Government shall proceed as follows:

a) ensure in compliance with the effective legislation, employment of public servants dismissed in connection with creation of the Center;

b) within two months:

- submit to the parliament proposals on bringing legislation in conformity with the present law;
bring regulatory acts in conformity with the present law;
ensure conformity of ministerial and departmental regulatory acts with the present law.

Chairman of the Parliament Eugenia Ostapciuc
Chisinau, June 6, 2002 No. 1104-XV

- **Law No 550 on Financial Institutions of Moldova as of 21.07.1995**

CHAPTER I
GENERAL PROVISIONS

Article 1. Scope of the law

The scope of this law is to protect the interests of household depositors and information on deposits, to prevent excessive risk to the financial system, to promote a strong and competitive financial sector and to facilitate the market forces to operate in the provision of financial services.

Article 2. Institutions covered by present law

(1) This law shall apply to financial institutions except for who, by virtue of the nature or size of their business or the origin of their resources, shall be exempt from the operation of this Law in whole or in part by the National Bank.

(2) The National Bank has the right to make financial institutions other than banks, additionally subject to provisions of this Law, that refer to bank activities.

Article 3. Main definitions

The following definitions are used in this law:

administrator - means a member of the Board of Directors, of the executive body, of the Audit Committee, the chief accountant, manager of a branch of the legal entity, as well as any other person who alone or together with other has the legal or statutory authority to enter into commitments for the account of such entity;

affiliate of the legal entity means a person: a) that holds control over the legal entity; b) that is under control by the legal person; c) that is under common control with the legal entity, by another legal entity; d) that is a member of the Board of Directors, of the executive body and of the Audit Committee of the legal person; e) that according to the civil legislation is related to the individual-member of the Board of Directors, of the executive body, of the Audit Committee of the legal entity- by marriage or consanguinity of first and second degrees; f) which affiliation is determined by the National Bank of Moldova in normative acts that are to comply with generally accepted principles on efficient banking supervision;

bank - means a financial institution, accepting deposits or their equivalents of individuals or their entities, transferable by different payment instruments and utilizing these funds in whole or in part for lending and investing on its own account and risk;

capital - means the net worth of funds owned by financial institution that represent the difference between its assets and commitments (debts);

regulatory capital - means a financial institution's own funds it must maintain in accordance with regulations issued by the National Bank that will describe the components of regulatory capital and the minimum amount which must be maintained in relation to risk weighted assets or total assets;

equity interest - means any ownership right or voting right with respect to a legal entity capital;

significant interest - means a direct or indirect holding of an interest in a legal entity, that represents the equivalent of 5 percent or more of the equity or of the voting rights, or

that makes it possible to exercise a significant influence over the management or policies of that entity;
debt security - means any negotiable instrument of indebtedness and any other instrument equivalent to such instrument of indebtedness, and any negotiable instrument giving the right to acquire another negotiable debt security by subscription or exchange. Negotiable debt securities may be in certificate or in book-entry form;
credit - means any commitment to disburse a sum of money in exchange for a right to repayment of the amount disbursed and to payment of interest or other charges on such amount, any extension of the due date of a debt, any guarantee issued, and any commitment to acquire a debt security or other right to payment of a sum of money;
subordinate debt – means a sum of money placed on terms:
- that is not ensured;
-that the maturity term is 5 years at least. If the maturity does not provide a fixed term, the debt is to be repaid on demand by the holder within a term of 5 years at least from the date of placement and providing the preliminary granting by the National Bank of Moldova of the permission issued under conditions of Art. 7 paragraph (2);
- that is not reimbursed before maturity, except cases of bank liquidation;
- that in case of bank liquidation, is to be repaid after redemption of claims by all creditors of the bank, but before redemption of claims by shareholders;
-that may be considered as component of the regulated capital under terms established by the National Bank;
deposit - means a sum of money paid on terms:
- that is to be repaid, with or without interest or premium of any kind, and either on demand or at a time or in circumstances agreed by or on behalf of the depositor (person making the payment) and the bank that accepts money;
- that are not referable to the provision of property or services or the giving of security;
- whether or not evidenced by any entry in a record of the bank that accepts money, or by any receipt, certificate, note or other document;
household deposits - means deposits of individuals;
capital distribution - means a distribution of cash or other property by a financial institution to its shareholders made on account of that ownership, but not including:
- any dividend consisting only of shares of the institution or rights to purchase such shares;
- any amount paid on deposits of a cooperative bank that the National Bank determines is not a distribution for purposes of article 28, paragraph 4;
credit documentation – means the documentation that serves as basis for an agreement entered into by a bank with any other person for the provision of a credit that will include at least:
- current financial situation of the borrower and of any other person, which constitutes a personal guarantee;
- a description of methods to guarantee the full payment of indebtedness and eventually an evaluation of goods that make the object of the guarantee;
- a description of credit terms and conditions, including the amount of credit, the interest rate, the reimbursement schedule, the objective of the debtor and the purpose of the credit;

- the document with the signatures of persons authorizing credit provision on behalf of the bank;
- other documents determined by the bank;
subsidiary - means a separate subdivision, that is a legally dependent part of a bank and that conducts all or some financial activities;
financial institution - means a legal entity engaged in the business of accepting deposits or their equivalent, non-transferable by any payment instrument and using such funds either in whole or in part to make loans, or investments for its own account and risk;
remedial action - means measures to correct the infractions described in Article 38 which include:
- the establishment of a plan to increase regulatory capital;
- the establishment of committees of the board of directors to oversee credit administration, asset and liability management, internal audit and controls;
- replacement of the heads of departments;
- establishing and enforcing improved internal controls;
- other measures;
order - means an obligatory directive in implementation of this Law, issued by the National Bank to one or more financial institutions that constitute less than a class of a financial institution;
person - means an individual or legal entity, association or any group of persons acting in concert, whether or not incorporated;
regulation - means an obligatory directive in implementation of this Law, issued by the National Bank to one or more classes of financial institutions and other legal entities and individuals;
representative office - means a separate subdivision located outside the bank's headquarters and legally dependent on the bank while representing and protecting its interests;
branch - means any legal entity in which another entity or group of entities acting in concert holds:
- the equivalent of 50 percent or more of the voting shares;
- a significant interest that permits such other entity or group of entities to exercise effective control over the management and activity of subsidiary.

CHAPTER II
LICENSING OF BANKS

Article 4. Licensing authority
The National Bank has the exclusive right for the issuance of licenses to banks.

Article 5. Starting (statutory) capital
(1) The minimum amount subscribed and paid in the bank's capital is established in the quantum of 100 million lei.
(2) Shares shall be paid integrally with funds.

Article 6. License application

(1) Licenses for financial activity in accordance with Article 26, shall be applied for in writing to the National Bank in such form as it is prescribed and shall be accompanied by the following:
a) information on qualifications and experience of the administrators of the proposed financial institution, including professional history for the past ten years;
b) information on the expected paid in capital of the proposed financial institution;
c) a business plan for the proposed financial institution, setting out the organizational structure, the types of financial activities envisaged, and projected financial statements for the first three years etc.;
d) information on the name, residence, and business or professional history for the past 10 years and ownership interest of each person who proposes to own the equivalent of 5 percent or more of any class of voting stock of the bank. For the purpose of this provision, the proposed ownership interest of affiliated persons shall be aggregated to determine the amount of the proposed ownership interest;
e) such additional information as shall be prescribed by regulation of the National Bank.
(2) The National Bank may request an applicant to submit additional information for its license application if, in the opinion of the National Bank, the basic information submitted is insufficient.
(3) The license concerning a branch office or subsidiary of a foreign bank shall be applied for by the foreign bank as shall be prescribed by the National Bank regulations.

Article 7. License decision
(1) Within 3 months from the date of its receipt of an application for a license that has been completed to the satisfaction of Article 6, the National Bank shall grant preliminary approval or deny the application and notify the applicant of its decision in writing. Decisions refusing a license shall include an explanation of the grounds on which the license was refused.
The grounds for denial of an application may include that the information submitted is insufficient to determine whether the applicant meets the criteria in paragraph (2).
(2) The National Bank shall grant a license only if it is assured that:
a) the bank will comply with the provisions of this Law;
b) the qualifications, experience, and integrity of its administrators and shareholders with significant interest are appropriate for its business plan and for the financial activities that the bank will be licensed to engage in;
c) the financial condition of the bank will be satisfactory.
(3) After preliminary approval of an application, the National Bank shall set the following requirements for the bank to receive the license:
a) the payment of the bank initial capital that shall not be less than the capital provided by Article 5;
b) the hiring of the specialists;
c) signing an agreement with an auditing firm, in accordance with Article 34;
d) the lease or purchase of operations equipment and bank premises.
(4) If a bank fails to comply within one year with the enumerated requirements, the preliminary approval of the application for a license shall become void.
(5) If the requirements described are satisfied, the National Bank shall issue the license within one month.

(6) Licenses concerning a branch offices and subsidiaries of foreign the bank shall be granted only if:
a) the foreign bank is authorized to engage in the business of receiving money deposits or other repayable funds in the foreign country where its head office is located;
b) the competent foreign authorities that supervise the financial activities at the head office of the foreign bank concerned have given their written consent to the granting of such license;
c) the National Bank determines that the foreign bank is adequately supervised on a consolidated basis by such foreign authorities.
(7) Financial institutions carrying out some financial activities that are not defined as banks under this Law are issued licenses as shall be prescribed by the National Bank.
(8) The National Bank shall not grant the license if the capital of the establishing banks does not comply with the minimum capital provided under Art. 5 plus expenses for bank establishment. Expenses related to bank establishment shall be made within the limits provided in the business plan worked out in accordance with provisions of Article 6 paragraph (1) point c).

Article 8. Scope of license. Authorized copies of license. Fees
(1) The license shall be granted for an indefinite period of time and shall not be transferable.
(2) Banks shall be issued authorized copies of the license for each branch or another separate subdivision of the bank, where the activity based on the issued license will be carried out.
(3) The fee for license issuance shall be established at 50000 lei.
(4) The fee for issuing the authorized copy of the license, for re-issuance of license/authorized copy of the license, as well as the fee for the issuance of the duplicate of the license /of the authorized copy thereof shall be established at 450 lei.
(5) The amounts of the fees under paragraphs (3) and (4) are transferred to the state budget and shall not be refunded in case the bank/branch or another separate subdivision of the bank does not commence business or ceases operations.

Article 9. Register of banks
(1) A register of authorized banks shall be kept by the National Bank that shall record for each licensed bank the name, the head office and subsidiaries and representative offices addresses, and copies of the documents listed in Article 17. This register shall be opened for the public.
(2) A copy of the register of authorized banks shall be kept for public inspection by each separate subdivision of the National Bank.
(3) Banks whose licenses have been withdrawn shall be removed from the register through respective record.

Article 10. Withdrawal of license
(1) The National Bank may withdraw the bank license only:
a) upon a request of the bank;
b) following an infraction pursuant to Article 38;

c) the license has been obtained on the basis of false information submitted by or concerning the applicant;
d) the bank has not commenced operations within twelve months after the receipt of the license or has ceased for more than 6 months to engage in the business of receiving money deposits or other repayable funds;
e) another bank that holds a significant ownership interest in the bank has had its license withdrawn;
f) a reorganization or sale of substantially all the assets of the bank has occurred;
g) the holder of a significant interest in the bank has transferred or otherwise lost such interest without the prior written consent of the National Bank;
h) the shareholders of the bank have decided to liquidate the bank, or the bank has ceased to exist as a legally independent entity;
i) the financial activities of the bank during its first three years of operation differ substantially from those presented in the application for a license and in the opinion of the National Bank, such deviation is not justified by changed economic circumstances;
j) the shareholders of the bank do not observe legal provisions to ensure prudent management of the bank or do not allow performance of efficient supervision;
k) the circumstances that served as a ground to establish special supervision or special administration of the bank have not been liquidated or, in the opinion of the National Bank, they cannot be liquidated during the application of such measures.
(1$_1$) The National Bank withdraws the bank's license in case of its insolvency.
(2) When a bank or its shareholders, based on the adopted decision, requests that the National Bank withdraw its license, withdrawal of license and bank liquidation is carried out according to the provisions of the Chapter VI$_2$.
(3) The license issued to a foreign bank concerning its branch offices must be withdrawn by the National Bank if the foreign bank has lost the authority to engage in the business of receiving money deposits or other repayable funds in the foreign country where its head office is located.
(4) The National Bank decision on license withdrawal have to include the grounds for such withdrawal. The respective bank, Deposits Guarantee Fund and Main State Tax Inspectorate must be immediately notified in writing about the license withdrawal.

Article 11. Publication and coming into force of the decision to withdraw the license
(1) The decision to withdraw a license shall be published within 7 days after it was adopted in the Official Monitor of the Republic of Moldova. An announcement on license withdrawal have to be published within the specified term in the newspapers of general distribution as well as in the newspapers wherever the bank has separate subdivisions
(2) The decision to withdraw a license shall become effective on the date of its approval.
(3) Starting on the date that the withdrawal of a license takes effect, the bank shall be prohibited from engaging in any financial activity, and shall as soon as practicable thereafter liquidate its assets, terminate accepting deposits and discharge its liabilities. During the liquidation the bank has to comply with the provisions of this Law, as before the license was withdrawn, to the extent necessary for acquiring and recovery of assets, conservation and liquidation of properties, as well as for fulfillment of the obligations and taking other measures for bank liquidation.

(4) The National Bank supervises the bank liquidation process until its completion and erasure of the bank from the State Registry of legal entities. At the request of the National Bank, the bank have to ensure the access of authorized staff to the premises and registries of the bank, to submit documents, information and reports relating to the bank liquidation.

Article 12. Prohibitions

(1) No one shall engage into financial activities, including acceptance of deposits or of equivalent of thereof without a license issued by the National Bank of Moldova.
(2) No person other than a bank shall accept household deposits or their equivalent.
(3) No one shall use the word "bank" or derivatives of the word "bank" in respect of a business, without a license issued by the National Bank, unless such usage is recognized by law or international agreement, or unless it shall be clear from the context in which this word and its derivatives are used that it does not concern financial activities.
(4) No foreign bank shall be permitted to engage directly in any financial activity in the Republic of Moldova unless the activity is undertaken through a branch office or subsidiary for which a license has been issued by the National Bank. A foreign bank may open representative offices in the Republic of Moldova only after notifying the National Bank as in accordance with the normative acts of the National Bank of Moldova. Representative offices of foreign banks shall limit their activity to acts of information, connection or representation and shall not be engaged in any activity provided in Article 26.
(5) No person shall make a misstatement of material fact or false representation or do anything to create a false appearance or engage in any manipulative device to practice in relation to taking of deposits.

CHAPTER III
ORGANIZATION AND ADMINISTRATION OF BANKS

Article 13. Organization and independence of banks

(1) Banks shall be organized as joint stock companies under the Company Law.
(2) Each bank shall enjoy complete legal, operational, financial and administrative autonomy from any other person, including the National Bank, the Government and any other public administration entities, unless the law specifically otherwise provides. No person shall limit the banks' autonomy, influence any administrator of a bank in the discharge of his duties or to interfere in the activities of any bank, except in the execution of a specific authority or duty under the law.
(3) Each bank shall enjoy freedom of contract, and the right to own and dispose of movable and immovable property, and to be a party to legal proceedings.
(4) Banks may open branches and representative offices in the Republic of Moldova and other states only upon the preliminary approval of the National Bank, as provided in normative acts adopted by the National Bank.

Article 13[1]. Bank branch and representative offices

(1) The bank branch carries out, on its own behalf, all or some of the financial activities provided by the license issued to the bank and acts within the powers granted by the bank.

(2) The bank representative office is not entitled to conduct financial and other activities, excepting the activities related to information, representation, and protection of bank interests.
(3) The name of the bank branch or representative office must specify the fact that it is a branch or representative office of a bank that has opened it.
(4) The branch or representative office is opened/ closed through the decision of the bank's management body entitled with such right according to the bank's statute.
(5) Registration of a branch or representative office at the state registration authority is made by submission of the National Bank notice on the approval of opening such a branch or representative office.
(6) A bank branch can have internal structural subdivisions (agencies, exchange offices) located outside bank's headquarters and having not separate bookkeeping (hereinafter referred to as the *auxiliary offices*). The name of the auxiliary office have to contain a reference to its type and the affiliation to the specific branch within which it was opened.
(7) The agency can engage in activities (including those of an exchange office) determined by the bank according to its list of permitted activities, as established by the National Bank normative acts. The exchange office conducts its activities according to the provisions set forth in the Law on Foreign Exchange Regulation, No.62-XVI, of March 21, 2008.
(8) The auxiliary office is opened/ closed based on the decision of the bank's management body that is entitled with such right according to the bank's statute. The auxiliary office must be indicated in the regulation of the bank's branch.
(9) In case of taking the decision on closure of a branch (auxiliary office), the bank (branch) must notify, within 10 days, the clients served by that respective branch (respective auxiliary office) and take measures to ensure the fulfillment of its obligations towards them.
(10) The bank shall notify the National Bank on closure of its branches or representative offices, on opening and closing of its auxiliary office under the conditions set forth in the National Bank normative acts.

Article 14. Regulatory capital
(1)The starting amount that banks must maintain as regulatory capital shall not be lower than the quantum of the starting capital set out under Art. 5 (1).
(2) Shares shall be paid integrally with funds.

Article 15. Restrictions on ownership and holdings
(1) The transfer of a holding in the capital of a bank is performed exclusively with the preliminary written permission of the National Bank, subject to absolute nullity, as follows:
a) by way of transactions and other legal acts, if following such a transfer any person or any persons acting jointly will hold, directly or indirectly, a significant holding in the capital of this bank, as well as in the case where following the rise of such a holding, the limits of 25 per cent, 33 per cent and 50 per cent will be reached or exceeded.
b) under irrevocable judgments or under transactions or other legal acts performed following these judgments;

c) by way of transactions or other legal acts, if the transfer is performed between the residents of off-shore countries and/or zones, as well as and/or groups of persons acting jointly, that include a person from off-shore countries and/or zones, or between the resident of an offshore country and/or zone and other persons, irrespective of the holding size representing the object of the transaction.
The decision on such a preliminary permission is issued under the art. 7, paragraph (2).
The exercise of the voting right held by persons that have not obtained the National Bank preliminary permission or have obtained holdings that led to exceeding the maximum limits provide for in paragraph (2) is suspended from the date of its approval by the National Bank, for the holding size held without the preliminary permission of the National Bank. These persons are obliged, within 3 months, to obtain the National Bank permission or to sell their shares for which the voting is suspended to a person that has obtained the National Bank preliminary permission.
After the expiry of this time-limit, if the shares have not been sold or the National Bank permission has not been obtained, the National Bank orders to the bank to annul these shares, to issue new shares in the same number and of the same class and sell them, and to transfer the amount obtained from sale to the initial holder, retaining the expenses related to sale. In case of a judicial dispute, the National Bank orders to the bank to annul the shares and to execute the above mentioned measures, only after the pronouncement of an irrevocable judgment.
(2) The amount of all equity interests in a bank, owned directly or indirectly by resident persons of off-shore zones and / or countries, as well as / or by groups of persons acting in concert, within which there is a person from mentioned zones and / or countries, shall not exceed the significant interest.
(3) No bank shall, alone or in concert with one or more other persons, without prior written authorization of the National Bank, directly or indirectly:
a) hold an equity interest in a legal entity that is engaged in other than financial activities that either represents a significant interest or exceeds as to its net current value the equivalent of 15 percent of the bank's regulatory capital;
b) or permit the aggregate net current value of all such equity interests to exceed the equivalent of 50 percent of the bank's regulatory capital.
(4) No such authorization from the National Bank shall be required for equity interests except equity interest in capital of banks:
a) that have been acquired by a bank in lieu of repayment of credit granted by the bank, in which case the bank may entirely dispose of such equity interests within one year or within such longer time period as the National Bank in exceptional circumstances may decide;
b) held by a bank as an agent.

Article 16. Reorganizations of banks
The reorganization or sale of substantially all the assets of a bank shall require the prior written authorization of the National Bank. Determinations shall be based upon the criteria described in Article 7(2). The bank or banks established following merging or decomposition shall start the activity only if having received the authorization of the National Bank. Reorganizations that would be inconsistent with the provisions of Article 27 shall not be authorized.

Article 17. Charter and by-laws

(1) Each bank shall have a charter that shall specify its corporate name and address, its purposes, Jurisdiction and authority of its Board of Directors, as well as the amount of its capital, the classes, numbers and nominal values of its shares, and the voting rights attaching to its shares. No amendment of the charter of a bank shall take effect without the prior written consent of the National Bank.

(2) Each bank shall be governed by internal by-laws, approved by its Board of Directors, which in compliance with its charter shall establish:

a) the structural organization and functions of the bank, including administration and control units and their jurisdiction;

b) sub-units functions, supervisory positions of the employees;

c) the limits of the authority of the administrators and other employees of the bank to engage in financial activities in the name and for the account of the bank;

d) the functions of the Audit Committee and other permanent committees.

(3) Each bank shall submit to the National Bank a duly certified copy of its registered charter, its by laws, and a list of the officials of the bank who are authorized to act on its behalf, together with their specimen signatures and a description of the limits of their authority.

Article 18. Administrative and control structure of banks

(1) Each bank shall be managed by the general meting of shareholders, the Board of Directors, the executive body and the Audit Committee. The Board of Directors is the administrative authority of the bank that shall carry out supervision functions and shall establish and ensure the bank policy operation. Attributions of the Board of Directors shall be specified in the charter and internal regulations of the bank.

(2) Each bank shall be overseen by an Audit Committee, as responsible for control of the bank's activity.

Article 19. Board of Directors

(1) The Board of Directors of a bank shall have an uneven number of not less than three members. Board members shall be appointed by the general meeting of shareholders of the bank for a period of not more than four years. Board members may be reappointed for subsequent periods of four years. The general meeting of shareholders of a bank may establish remuneration for Board membership. The majority of Board members shall be persons not affiliated to the bank, except for affiliation determined by membership in bank Board.

(2) A person shall not be eligible to become a member of the Board of Directors of a bank, or shall by decision of the general meeting of shareholders of the bank be relieved of his membership on the Board of Directors of the bank, in the event that:

a) he is or would be a member of the Board of Directors of two or more other banks of the Republic of Moldova;

b) he has been deprived of the right to sit on the Board of Directors;

c) he serves, or he served during the preceding twelve months' period on the Administrative Council of the National Bank;

d) he has been subject to an insolvency proceeding and not discharged from payment of past debts.
(3) The Board of Directors of a bank and its members cannot delegate their responsibilities to others.

Article 20. Audit Committee
(1) The Audit Committee shall have an uneven number of not less than of three members appointed by the general meeting of shareholders of the bank for a period of 4 years.
Members of the board of Directors shall not concurrently serve on the Audit Committee. The majority of members of the Audit Committee shall not be persons employed at the bank.
(2) The Audit Committee shall:
a) establish appropriate accounting procedures and accounting controls for the bank, according to the National Bank regulations, supervise compliance with such procedures, and audit the bank's accounts and records;
b) monitor compliance with the laws and regulations applicable to the bank and report to the Board of Directors thereon;
c) deliver advise on any matters submitted to it by the Board of Directors or that it wishes to address.
(3) The Audit Committee shall meet ordinary once per quarter and extraordinarily when convened by the Board of Directors or by two of its members. Decisions shall be taken by a majority of the members that have no right to abstain

Article 21. Requirements to administrators
All persons elected or appointed as administrators of a bank must meet the criteria established by National Bank regarding qualifications, experience, reputation in business circles, must be free of any legal proceedings and evidence of financial and administrative problems at previous work, financial fraud, tax avoidance etc. Only individuals may be elected as administrators of a bank, except members of the Audit Commission whose powers and authorities may be delegated to the audit company, is such company does not conduct the audit of the bank. Such persons must receive the confirmation of the National Bank prior starting to act as administrators. The decision on such confirmation shall be issued under provisions of Art. 7 (2).

Article 22. Banking secrecy and fiduciary obligations
(1) Banking secrecy is any information about the person, goods, activity, business, personal or business relations of the bank, customers' accounts, (balances, turnovers, performed operations), the customers transactions, and other information about the customers, which became known to the bank.
(2) Under this article, a bank customer is considered any person benefiting or has benefited from the services of a bank or person with whom the bank has negotiated a transaction, even if that transaction was not completed.
(3) Bank managers and clerks, persons acting on behalf of the bank and other persons who, by virtue of execution of the job duties, have gained access to the information provided in paragraph 1 are obligated to keep the banking secrecy; the information shall

be used only for job purposes. This obligation shall subsist also after the termination of the above-mentioned persons' activity or during the suspension of activity.
(4) Information provision constituting bank secrecy, including to the public authorities empowered by law to request information from individuals and legal entities, is done in strict accordance with this article.
(5) Information that is considered banking secrecy shall be provided by the bank, to the extent that providing such information is justified by the purpose for which is requested in the following cases:
a) At the request of the customer's bank or its representative;
b) In case of death of the bank customer, at the request of his heir, attaching the heir certificate, and at the request of the notary that started the succession procedure, attaching copy of death certificate of the bank customer;
c) At the request of the criminal prosecution, authorized by the investigating judge, regarding the concrete criminal case;
d) With the judge authorization the concrete criminal case;
e) At the request of the court, to resolve a pending case;
f) At the request of the customs authority, in respect of the person subject to customs supervision, in accordance with the provisions of the Customs Code;
g) At the request of the Court of Accounts, regarding the interviewed person, in accordance with the special law governing the Court of Accounts;
h) At the request of the Information and Security Service, in order to exercise the duties related to state security assurance;
i) At the request of the Center for Combating Economic Crimes and Corruption, regarding the person who falls under the legislation on preventing and combating money laundering and terrorist financing;
j) At the request of the National Commission of Financial Market, in order to exercise the duties related to the non-banking financial market;
k) At the request of the enforcement body, under and within the limits stipulated by the enforceable document;
l) When the bank has a legitimate interest.
(6) Requests for information provision constituting bank secrecy, by the authorities mentioned in paragraph (5), must contain: the legal basis of the request, the identity of the person to whom the requested confidential information is referred, the category of information requested and the purpose for which is sought. The request submitted must be signed by an official empowered person and must be stamped by the given authority.
(7) The following cases are not considered breach of the obligation of keeping the banking secrecy:
a) Providing the information by the National Bank needed to perform its duties;
b) Providing the information and data compiled so that the identity and information on each customer's activity can not be identified;
c) Obligatorily providing the information to the tax enforcement on opening, modification and closing of bank accounts in cases with reference to the categories of taxpayers under the law;
d) Providing fiscal authorities of the information required for the opening, modification and closing of bank accounts in cases with reference to the categories of taxpayers under the law;

e) Providing the information to the audit of the bank, within the limits required by the exercise of audit activity;
f) Providing the information to the credit history bureaus on granted loans, in accordance with the law;
g) Providing the information to the Centre for Combating Economic Crimes and Corruption on any suspicious activity or transaction, in accordance with the law on preventing and combating money laundering and terrorist financing;
(8) The persons and bodies entitled to request and receive information constituting bank secrecy are required to keep such information confidential and may use them solely for the purpose for which they have been requested or provided by law and are not obliged to provide or disclose to a third person, except cases of execution of the obligations stipulated by law.
(9) It is prohibited to provide by the bank the information on the clients of another bank, even if the first and last name/ name are listed in the documents and contracts of the client or contain within its operations.
(10) The bank organizes its activities so that the administrators, clerks, and persons acting on its behalf shall not be put in the situation when their obligations to a client conflict with the obligations to another client or when their own interests conflict with their obligations to the client.

Article 23. Preventing and combating money laundering and terrorism financing
(1) No bank shall conceal, convert, or transfer cash or other valuables, knowing that it is derived from criminal activity, for the purpose of concealing its illicit origin or of assisting any person who is involved in such activity to evade the legal consequences of his action.
(2) It is considered that the bank is knowledgeable of the illicit origin of the cash or other valuables if it is inferred from objective factual circumstances.
(3) The bank takes measures to identify its clients and other persons with whom the bank enters into business relationships, including its shareholders and effective beneficiaries, precautionary measures, and safekeeping of data related to such measures, as well as reports to the competent authorities on the suspicious activities or transactions (operations) and other information subject to reporting according to the Law on Preventing and Combating Money Laundering and Terrorism Financing and the regulations adopted to implement it. Banks shall inform the competent authorities of the evidence that cash or other valuables are derived from criminal activity, as prescribed by the law. Providing such information is not considered a violation of Article 22.
(4) The bank requests, while its clients and other persons with whom it enters in business relationships must submit documents and information required for their identification. In case of failure to submit or submitting false (inaccurate) documents and information, the bank refuses to open an account, carry out a transaction (operation) or establish business relationships. In case of reasonable suspicion of deliberate presentation of false (inaccurate) documents and information for the purpose of misleading, the bank reports such circumstances to the competent authority.
(5) In order to identify a client and other person with whom the bank enters into business relationships, as well as to ensure compliance with the internal control procedures, including those related to the identification of suspicious activities and transactions

(operations), the bank may request, through a reasoned request, the necessary information from public authorities, banks and other legal entities, and may take any other measures in order to obtain such information from other sources. Public authorities, banks and other legal entities are obliged to submit the requested information as soon as possible. Submitting such information is not considered an infringement of the provisions on the banking, commercial or other secret protected by law.

Article 24. Conflicts of interest

(1) An administrator of a bank who is a party to a material contract or a proposed material contract with the bank or is an administrator of, or has a material interest in or a material relation to any person who is a party to a material contract or a proposed material contract with the bank, shall disclose in writing to the bank about its material interest when the contract comes or ought to come to the attention of the administrator.

(2) Any administrator shall submit to the Board of Directors not less than annually a notice in writing that shall be a sufficient declaration of conflict of interest. Sufficient declaration of conflict of interest means providing the names and addresses of the administrator's associates, full particulars of activity or family interest that such person has, and stating that the person is to be regarded as interested in any material contract with a person named in the notice.

(3) An administrator who has a material interest to a contract shall leave any meeting at which the contract is discussed. At the same time his presence at the meeting is considered for purposes of constituting a quorum and when voting as refrained. The chairman of the meeting has the decisive vote if there is a parity.

(4) For the purposes of paragraphs 1 and 2 an interest shall be material if it is material with reference to the wealth, business or family (first and second degree of consanguinity) interests of the person having the interest. A person has a material interest in any company if the person owns, directly or indirectly, a significant interest in the company, or is an administrator of the company, and any partnership if a the person is a partner.

(5) Where an administrator fails to disclose a material conflict of interest:

a) a court may, on the application of the bank, one or more shareholders, or the National Bank set aside the contract on such terms as it thinks fit;

b) the National Bank may, by written order, suspend the administrator from office for any period not exceeding one year, or remove the administrator from office permanently.

(6) Independently of the fiduciary obligation under Article 22, paragraph (10), administrators of banks have a fiduciary duty to the bank that they serve and to the bank's customers to place the bank's interests and its customers' interests before their own pecuniary interest.

CHAPTER IV
OPERATIONS

Article 25. Prudential requirements

(1) Financial institutions shall conduct their administration and operations in accordance with sound administrative and accounting procedures, the requirements of the law, and the regulations issued by the National Bank.

(2) Financial institutions shall maintain adequate capital and sufficient resources, and, with due regard to the nature of their business, shall ensure that their assets are diversified as to risk of loss.

Article 26. Financial activities allowed to banks

(1) Banks may conduct the following activities within the issued authorization:

a) receiving deposits (in the form of demand or time deposits etc.) bearing interest or not;

b) extending credit (consumer and mortgage credit, factoring, with or without recourse, financing of commercial transactions, issue of warranties and collateral etc.);

c) borrowing funds, buying and selling for their own account or for account of customers (excluding underwriting) of:

- money market instruments (checks, bills of exchange and certificate of deposit etc.);
- futures and options relating to debt securities or interest rates;
- interest rate instruments;
- debt securities;

d) providing payment and collection services;

e) issuing and administering means of payment (payment cards, travellers' checks and bankers' drafts etc.);

f) money (including foreign currency) broking;

g) financial leasing;

h) providing credit reference services;

i) providing services as a financial agent or consultant not including services described in subparagraphs (a) and (b);

j) dealing in foreign currencies, including contracts for the future sale of foreign currencies;

k) providing trust services (investment and administration of funds received in trust), safekeeping and administration of securities and other valuables etc.;

l) providing services as an investment portfolio manager or investment adviser;

m) underwriting and distribution of debt and equity securities and dealing in equity securities;

n) such other financial activities as approved by the National Bank.

(3) No bank shall engage in financial activities that exceed those specifically authorized by its license.

Article 27. Prohibited anticompetitive transactions and practices

(1) Financial institutions shall refrain from:

a) entering into transactions or operations that would provide them, alone or together with others, a position of dominance on the money, financial and foreign exchange markets;

b) engaging in manipulative practices that could result in an unfair advantage for themselves and third parties.

(2) No financial institution shall require any person to contract to receive any financial service or any goods or other service from an affiliate as a condition of being permitted to contract with the financial institution to receive any financial service.

(3) No bank and no financial institution affiliate of a bank shall:

a) extend credit beyond limits determined by the National Bank to a person or underwrite or place tangible assets or arrange financing from third parties to that person to enable the person to repay his obligation to the affiliate;
b) underwrite or place tangible assets of a person and extend credit to that person to enable him to pay the principal, interest or dividend on such securities;
c) underwrite, place, or distribute securities and within 60 days of the initial sale, purchase or recommend the purchase of such securities in the capacity of asset manager or investment advisor.
(4) No bank shall purchase from an affiliate of the bank:
a) assets of that affiliate;
b) securities to be underwritten, placed or distributed by that affiliate or that have been sounder written, placed or distributed within the past year.
(5) No bank shall provide credit enhancement for or extend credit to facilitate the purchase of securities underwritten, placed or distributed by an affiliate of the bank.

Article 28. Prudential measures
(1) Banks shall observe the following maximum limits as prescribed by the National Bank:
a) the maximum ratios and exposures to be maintained by a bank concerning its assets, risk weighted assets, and off-balance sheet items and various categories of capital and reserves;
b) the maximum aggregate amount of credits, expressed as a percentage of its regulatory capital, that a bank shall be permitted to extend to any single person or group of interrelated persons;
c) the maximum aggregate amount of credits, expressed as a percentage of the aggregate amount of all its credits, that a bank shall be permitted to have committed or outstanding to or for the benefit of the ten largest borrowers (including groups of interrelated persons).
(2) According to the regulations of the National Bank, banks shall observe the following requirements concerning:
a) the minimum amount of liquid resources or specific categories of such resources in relation to the value or change in value of assets (including guarantees and collateral received) or specific categories thereof, or in relation to the amount or change in amount of liabilities or specific categories of liabilities;
b) the maximum aggregate amount of real estate investments, or specific categories thereof;
c) classification and evaluation of assets and specific risk provisions to be made on the basis of such classification and evaluation against losses on loans and the time when earnings on such loans may no longer be accounted for as income except as received in cash;
d) the types or forms of credits and investments made;
e) matching as to maturity and interest in respect of assets and liabilities;
f) unhedged positions in foreign currencies, precious metals or precious stones, exceeding a specified size.

g) transparency of the ownership structure and of control over the bank by obtaining, accumulating, storing and updating information about the shareholders (actual beneficiaries);
h) outsourcing of materially important activities;
i) internal control systems.
(3) Non compliance with the requirements described in paragraphs (1) and (2) will result into use of the provisions of Article 38.
(4) A bank shall make no capital distribution if in the opinion of the National Bank, this will determine the non-compliance with the requirements set forth in Art.7 paragraph (2).
(5) A bank shall not extend credits under the warranty of own issued stocks.
(6) No financial institution may engage directly in enterprise activity, or services other than financial services.

Article 28[1] Outsourcing
(1) Outsourcing is an employment on a contractual basis of a legal entity (hereinafter referred to as the *contractor*) in view of carrying out/conducting operations that are usually carried out/conducted by the bank.
(2) The Bank is entitled to outsource the materially important activities after receiving the written permission from the National Bank. Materially important activities are activities subject to licensing and authorization, any other activities or operations of such importance, so that any difficulty or failure to carry out/conduct them can result in bank's inability to continue its financial activities and/or comply with the provisions set forth in laws and other regulations.
(3) Outsourcing of materially important activities provided by the art. 26, as well as of the licensed activities can be made only to a bank from the Republic of Moldova or to another resident legal entity holding a valid license for such activity.
(4) Subcontracting the outsourced materially important activities (chain outsourcing) is not allowed.
(5) The bank is responsible for the proper management of risks related to the outsourced activities/operations.
(6) In case of outsourcing, the bank must meet the following minimum conditions:
a) will have appropriate internal policies and procedures on evaluation, management and control of outsourced activities/operations, while the internal control system, internal reporting system and internal audit functions will be adjusted to the specificity of such activities/operations;
b) outsourcing will not result in:
- delegation of the bank's management bodies responsibility to the contractor;
- reduction of bank's capacity to fulfill its obligations or infringement in any other way of the legal interests of its clients, to fulfill the tasks set forth in the bank's statute, regulations or long and medium term development strategies;
- restriction, prevention or incapacity of exercising the National Bank duties related to licensing, supervision and regulation, as well as the duties of the authorized control bodies;
c) will take measures to ensure the continuity of the materially important activities in case of exceptional situations, as well as to comply with this Law when dealing with the contractor;

d) will ensure, annually or at the National Bank request, the external audit of outsourced activities/operations by an international audit company accepted by the National Bank, in accordance with the audit requirements established by the latter;
e) will report to the National Bank without delay about any incident or change in risk, including the change of the contractor that might have a significant impact on the capacity of bank's efficient management, stability, performance and continuity.
(7) Application for receiving the permission set forth in paragraph (2) must be submitted at least 60 days before the date of the outsourcing contract completion.
(8) The National Bank issues the permission set forth in paragraph (2) if the requirements set in this article and the bylaws adopted for enforcing the law are met, and/or, where applicable, if the National Bank is convinced in bank's possibilities to comply with the outsourcing requirements. If necessary, the National Bank may consult public authorities and other competent authorities.
(9) In case of outsourcing materially important activities, the National Bank may impose certain conditions taking into account factors such as: size of the bank, nature and complexity of the activity to be outsourced, contractor's characteristics and market position, term of the contract, conflicts of interest that could be generated by the outsourcing.
(10) The National Bank has the right to prescribe the termination of the outsourcing contract if it finds that:
a) the bank does not carry out continuous monitoring of the outsourced activities/operations or management of related risks or does it irregularly and inadequately;
b) the activity of the contractor of outsourced activities/operations has significant deficiencies that threaten or may threaten the bank's ability to meet its obligations.

Article 29. Records of financial institutions
(1) A financial institution shall keep at its head office and/or to provide access from the headquarters to the following registers and documents in electronic or hard format:
a) its charter and by-laws and all amendments thereto;
b) a register of its shareholders, including the number of shares registered in the name of each shareholder, as in accordance with the Law on Securities Market;
c) minutes of meetings and resolutions of the Board of Directors;
d) minutes of meetings and resolutions of the shareholders;
e) accounting records exhibiting clearly and correctly the state of its business affairs, explaining it's transactions and financial position;
f) records showing, for each customer of the financial institution, on a daily basis, and the balance owing to or by that customer;
g) such other records as are required by this Law and regulations of the National Bank.
(2) In case of keeping a register or document in electronic format, the financial institution must, at the request of the authorized person, print out a hard copy of such register or document.

Article 30. Public notification
A financial institution shall regularly publish truthful information about its financial activity, and terms and conditions associated with the deposits made and credits

extended, including the rate of interest, in accordance with regulations issued by the National Bank.

Article 31. Transactions with employees of the bank and with related persons

(1) Banks shall not extend credit to or for the benefit of a person who is related to the bank, if such credit would be extended on less favorable terms and conditions, or not at all, to the persons who are not so related to the bank. For the purposes of this paragraph, persons who are related to a bank shall include: any administrator of the bank; any person who is related to such administrator by marriage or consanguinity of the second degree; shareholders having substantial interest; affiliated persons. Notwithstanding the foregoing, no bank shall extend credit to or for the benefit of a person so related to the bank if as a result thereof the aggregate amount of the credits extended by the bank to such persons would exceed an amount prescribed by regulation by the National Bank.

(2) Credit extended by any bank to any related financial institution shall be subject to such conditions or restrictions as prescribed by the National Bank. For the purposes of this paragraph, a related financial institution shall include: any person or number of group of such persons acting in concert, that has a direct or indirect interest in the bank extending the credit; any entity in which the bank holds a significant interest.

(3) A bank shall not extend credit to any of its employees in excess of the limits established by the National Bank.

Article 32. Granting credits

(1) The banks shall record all credit and warranty operations of the banks in contractual documents that will clearly define the established terms and conditions of relevant transactions.

(2) Banks shall grant credits only if assured that the applicants are solvable enough as to reimburse credits in due time. For the purpose of this paragraph, banks shall request the applicants to guarantee credits under conditions established by bank credit regulations.

CHAPTER V
ACCOUNTS AND STATEMENTS, AUDIT, REPORTING AND INSPECTION

Article 33. Accounts and financial statements

(1) Financial institutions shall maintain at all times accounts and records and prepare periodic financial statements to reflect their operations and financial condition in accordance with consistently maintained sound accounting practices.

(2) Accounts and financial statements shall be in accordance with accounting standards as established by the National Bank respecting the preparation of the financial institution’s accounts, including creation of appropriate provisions for bad and doubtful assets and timing of income receipts.

(3) The accounts, records and financial institution’s statements shall also reflect the operations and financial condition of its subsidiaries and branch offices, both on an individual and on a consolidated basis.

Article 34. External audit

(1) Banks shall each appoint an independent external auditor, accepted by the National Bank, who shall:
a) assist it in maintaining proper accounts and records in the manner established by the National Bank;
b) prepare an annual report together with an opinion as to whether the financial statements present a full and fair view of the financial condition in accordance with the provisions of this Law;
c) review the adequacy of internal audit and control practices and procedures and make recommendations for redemption;
d) inform the National Bank about any fraudulent act by an employee of the bank or its branch office and any irregularity or deficiency in its administration or operations that should be expected to result in a material loss for the bank or its branch office.
(2) For banks whose assets do not exceed the amount established by the National Bank, the audit functions may be performed by an accounting expert or a certified public accountant from the bank, as determined by the National Bank.

Article 35. Publication of balance sheet, auditor's opinion, annual report
Each bank shall, within four months from the end of its financial year, publish in the newspapers of general circulation, as well as in the newspapers wherever the bank has separate subdivisions, its balance sheet and external auditor's opinion, and publish its annual report and provide copies to the public without charge.

Article 36. Examinations of branches
(1) Provisions of Articles 34 and 35 may, by regulations of the National Bank, be made applicable to any branch office of a bank as if such branch office were a subsidiary of that bank. Statutory and regulatory provisions requiring financial statements may be applicable for the branch office too.
(2) With respect to a branch office of a foreign bank, an audit committee or other representative organ of the foreign bank may function as the Audit Committee of the branch office.

Article 37. Reports and inspection
(1) Each bank shall prepare and submit to the National Bank according to its regulations, reports concerning its administration and operations, liquidity, solvency, and profitability, and those of its subsidiaries, for an assessment of the financial condition of the bank and each of its subsidiaries on an individual and a consolidated basis.
(2) Every bank and each of its branches and subsidiaries, including those abroad, shall be subject to inspections by inspectors of the National Bank or by auditors appointed by the National Bank. The inspection of the bank that is a branch or subsidiary of a foreign bank or has a significant interest in the foreign bank is made by the auditors charged with supervision of financial activities in that country.
(3) Each bank and each of its subsidiaries shall admit and cooperate fully with the inspectors of the National Bank and the auditors appointed by the National Bank.
(4) In their inspections of banks and their subsidiaries, the National Bank inspectors and its auditors may:
a) examine the accounts, books and other records;

b) require administrators, employees and agents of the bank or subsidiary to provide all such information on any matter relating to its administration and operations.
(5) Fiscal authorities, the Centre for Economic Crime and Corruption Prevention and other authorities authorized with control functions, shall be admitted by financial institutions and shall conduct such controls and obtain information and records or copies of thereof deemed for application of vested powers as it is established within their competence and provided in the legislation on the activity of these authorities and the provisions of this Law.

Chapter V[1]
SPECIAL SUPERVISION

Article 37[1]. Establishing and implementing the special supervision.
(1) The National Bank may establish a special supervision procedure concerning a bank if finds an infringement of the provisions set forth in Art. 38, paragraph (1) or a precarious financial situation of the bank.
(2) The special supervision shall be carried out by a commission created for this purpose, consisting of up to 5 employees of the National Bank, one of whom shall act as chairman of the commission and one as a deputy chairman.
(3) The provisions of this chapter shall not affect the duties and powers of the National Bank to apply before or during the special supervision, other measures and sanctions provided by this Law, including the establishing of special administration or license withdrawal and forced liquidation.

Article 37[2]. Main powers of the special supervision commission
(1) The powers of the special supervision commission shall be established by the National Bank and shall mainly include:
a) analysis of the bank's financial situation;
b) verifying the existence of the grounds provided by Art. 37 [4], paragraph (2) and Art. 38, paragraph (3);
c) monitoring the way the bank's board, executive body and managers are acting in order to establish and apply the measures necessary to remedy the violations and deficiencies or, if necessary, the recommendations formulated by the commission or measures charged by the National Bank in accordance with the present Law;
d) formulating recommendations to the bank on:
- suspension or repeal of certain decisions of the bank's management bodies, which are contrary to the requirements of prudence or leading to the deterioration of its financial situation;
- amending/ supplementing the bank management framework, strategies, processes and mechanisms implemented by the bank;
- limitation and/or suspension of some bank activities and operations for a certain period of time;
- any other measures deemed necessary to remedy the violations and/or the bank situation;
e) formulating recommendations to the National Bank on implementation of certain measures or application of sanctions provided by the law if the bank's board, executive

body or managers do not comply with the measures recommended by the commission or these did not gave the expected results.
(2) The special supervision commission does not substitute the bank managers regarding the current management of the activity and the competence to undertake commitments on behalf of the bank. Responsibility for the legality, validity, accuracy, and timeliness of the bank operations and documents lies exclusively with the bank managers and/or persons who prepare and sign such documents, according to their powers and competencies.
(3) The members of the special supervision commission shall have access to all information, documents, and registers of the bank and are obliged to keep the professional secret about bank operations.
(4) The bank management bodies, employees and other persons shall not obstruct the members of the special supervision commission in fulfilling their duties.

Article 37[3] Special supervision reports
(1) The special supervision commission shall submit periodically to the National Bank reports and recommendations on bank situation. The recommendations shall meet the following criteria:
a) shall include proposals on the most rapid and cost efficient way to remedy the violations and deficiencies, as needed, on prevention of the conditions leading to the grounds provided by Art. 37[4] paragraph (2), letters b)-f) regarding the establishing of special administration or conclusions on the necessity to liquidate the bank;
b) shall provide for minimization of the risk for bank depositors and other clients, as well as for financial stability.
(2) Depending on the proposals and conclusions contained in the special supervision commission reports, the National Bank shall decide on stopping or continuing the special supervision for a period not exceeding 3 months from the date of its establishment.
(3) Whether serious deficiencies are still found within the bank activities, the National Bank may decide, depending on the case, to apply the special administration measures to the bank or other measures provided by the law, including the withdrawal of bank license and its forced liquidation.

Chapter V[2]
SPECIAL ADMINISTRATION

Article 37[4]. Definition and establishing the special administration
(1) Special administration means an administration regime established for a certain period of time with regard to a bank and envisaging the implementation of a set of administrative, financial, legal, and organizational measures with the scope of determining the optimal conditions for preserving the value of assets, elimination of deficiencies in bank administration and in administration of its properties, collection of debts, establishing the possibilities to remedy the financial situation, including restructuring or liquidation of the bank.
(2) The National Bank may establish special administration in regard to a bank if:
a) establishing the special supervision measure did not have any results;

b) the amount of bank's capital is below the amount of regulatory capital set forth in the National Bank regulations, or its adequacy ratio is by at least 1/3 below the ratio established by the respective regulations;
c) the bank liquidity ratio is by at least 1/4 less as compared to the ratio established by the National Bank regulations;
d) the bank fails to fulfill or is unable to fulfill the remedial measures imposed by the National Bank;
e) the bank systematically obstructs the exercising of banking supervision duties by concealing accounts, assets, registers, reports, documents and information or by unfounded refusal to submit them to the authorized staff of the National Bank;
f) the bank's management bodies are not able to ensure the bank activity according to the legislation, especially in cases of conflicts that disorganize the bank activity, arrest, suspending the managers due to a criminal case or convicting them for the committed crime;
g) it is requested by the bank on the basis of decision taken by the board or general meeting of bank's shareholders.
(3) The special administration shall be established for a term of up to 9 months. The term of special administration may be extended only once for a period not exceeding three months.
(4) The decision on establishing/extending the term of special administration shall contain the grounds of establishing/ extending the term, as well as the term of special administration, data about the special administrator and, as applicable, the restrictions or conditions related to the bank's activity. The respective bank shall be immediately notified in writing on the taken decision.
(5) The announcement on establishing the special administration shall be published by the National Bank in the Official Monitor of the Republic of Moldova within 7 days, except for the case provided by paragraph (2), letter f).

Article 37^5. Special administrator
(1) Special administration shall be exercised by a special administrator appointed by the National Bank by the decision on establishing the special administration.
(2) As special administrator may be appointed any individual including an employee of the National Bank, who meets the conditions set forth in Art. 38^2. Based on founded reasons, the National Bank may decide on replacement of the special administrator.
(3) In exercising its powers and rights, the special administrator is liable only to the National Bank, which is authorized to issue mandatory instructions and recommendations related to its activities.
(4) If the special administrator does not comply with this law or does not fulfill its duties, the National Bank will dismiss him/her and appoint another person.

Article 37^6. The effects of establishing special administration
(1) From the date of his/her appointment, the special administrator shall take the administration and control over the bank and has unlimited access to bank assets, premises, registers, documents and information.
(2) For the duration of special administration, the rights and obligations of the bank shareholders, board, executive body, and managers shall be suspended and exercised by

the special administrator, if this chapter does not provide otherwise. the special administrator can delegate some of its duties to other persons including bank managers and employees whose duties were suspended, if the National Bank does not stipulate otherwise.
(3) Members of the bank board, executive body, and bank managers cannot receive payments and other benefits as a result of suspending their powers or ceasing of their membership, except for the cases provided by the labor law.
(4) For the duration of special administration, the powers of the general meeting of shareholders of the bank shall be limited to decisions that do not contradict with the scopes of establishing the special administration and shall not impede exercising of powers and rights of the special administrator.
(5) The provisions regarding the obligation to convene the general meeting at the request of the shareholders of the bank are not applicable for the duration of special administration.
(6) Legal acts made in the name and on behalf of the bank in violation of the provisions set forth in paragraph (2)-(5) are invalid if they are not approved by or coordinated with the special administrator.
(7) The special administrator shall take measures in order to ensure safety of bank assets, registers, documents and information, and may:
a) change the rules of access to the bank premises;
b) withdraw the right of access and/or change the passwords for access to the information system resources of the bank, including to any information carriers and to grant access to these to a restricted number of employees;
c) issue a new type of permits for access to bank premises for the authorized staff and to control access of other persons to these premises.
(8) The special administrator shall immediately notify the separate subdivisions of the bank, correspondent banks, state registration body, holders of public registers, central depositary of securities and the registrar that keeps the register of the holders of bank securities, and if necessary, other persons about the institution of special administration, suspension of duties of certain persons and granting them to other persons.
(9) The bank managers and employees must assist the special administrator in its activity. At the request of special administrator, any person holding registers, documents, information, seals, stamps and goods of the bank or controlling them, shall make them available to special administrator or persons appointed by it. At the request of the special administrator, the bank managers shall provide explanations and reports on operations conducted by the bank.

Article 37[7]. Main duties and rights of the special administrator.
(1) The special administrator shall have full powers to lead, manage, and control the bank, including:
a) analyzing and assessing the bank activity and financial situation;
b) determining the most effective and quickest way to liquidate of the circumstances set out in Art.37[4] paragraph (2), letters b)-f), reducing bank losses and minimizing risks for the interests of depositors and other creditors;
c) participating in elaboration, organization and implementation of remedial measures and controls their fulfillment;

d) controlling the use of the bank's property;
e) taking measures regarding the collection of debts due to the bank and the recovery of its properties possessed by third parties, to bring proceedings in court on behalf of and in the interests of the bank;
f) submitting to the National Bank information, explanations and reports;
g) exercising other necessary duties for the purpose of special administration.
(2) The special administrator shall have the right to:
a) hire specialists, experts and professional consultants;
b) convene and conduct general meeting of shareholders of the bank;
c) repeal or suspend the decisions of the management bodies; dismiss or transfer the executive members and bank employees to other functions, to revise their responsibilities and to change the size of labor remuneration, with due respect for the labor legislation;
d) appoint its representatives to act in the subdivisions of the bank, in executive bodies of legal entities found in the majority ownership of the bank;
e) suspend payment of dividends and other forms of distribution of bank's capital;
f) establish bank's creditors, the value and merits of their claims, request from the creditors to confirm their claims;
g) negotiate on the bank liabilities and claims with the scope of establishing new maturity, reduction, novation, acquisition and transfer of debts;
h) suspend attraction of deposits and/or granting of loans, impose other restrictions on bank's activity;
i) terminate contracts and refuse to fulfill contractual obligations set forth in Art.37^{12};
j) take measures to remedy the financial situation, including restructure the bank (increasing, reducing bank capital, selling assets, transfer of liabilities and assets), reorganization or sale of the bank;
k) submit to the National Bank conclusions and recommendations with regard to the bank, including on establishing of moratorium, extending the term/terminating special administration and withdrawal of license;
l) exercise such other right provided by this Law and other regulations;
(3) In the case referred to in Art. 37^{4} paragraph (2), letter f), the main task of a special administrator is to take the necessary measures for the appointment, if necessary, of the members of the bank's board, executive body and managers. During this administration, the special administrator may take any measures that could be adopted by the mentioned bodies, according to the law.
(4) At the request of the special administrator, the law enforcement bodies must offer assistance in obtaining access to premises and other assets of the bank, in taking control over the bank and ensuring integrity of bank's assets, registers, documents and information.
(5) In exercising its powers and duties, the special administrator shall give high priority to the interests of depositors and other creditors, not affiliated to the bank, in relation to the shareholders and creditors that are bank's affiliated persons. The bank and its shareholders cannot make the special administrator or the National Bank responsible for the prejudices caused in connection with the actions undertaken in the framework of special administration, if such actions were undertaken for the purpose of non-admission of the excessive risk to financial stability, protecting the interests of depositors and other creditors of the bank.

Article 37[8]. The special administrator's report

(1) Within 2 months from the date of its appointment, the special administrator shall submit to the National Bank a written report on the bank's financial situation and perspectives.

(2) The report shall include:

a) the measures undertaken from the establishment of special administration and their effects;

b) the evaluation of implementation perspectives, estimated costs and benefits of the possibilities to remedy the financial situation, including restructuring, reorganization or sale of the bank, or depending on the case, liquidation of the bank, including an estimation of the value of bank assets that could be sold in case of its liquidation;

c) recommendations on the measures to liquidate the circumstances that served as a ground for establishing the special administration, and that can include a detailed action plan consisting of implementation of any measures provided by Art. 37[7] paragraph (2), letter j) or their combination, without excluding the application or further application of other remedial measures.

(3) Within 15 days from the receipt of the special administrator's report, the National Bank can, depending on the specific case, decide on:

a) the opportunity and term to maintain the special administration;

b) the approval of submitted recommendations, proposed plan, with or without amendments, or on their rejection;

c) the withdrawal of bank license, if it reaches the conclusion on the impossibility to liquidate the circumstances that served as grounds for establishing the special administration and bringing bank's activity in compliance with the law and regulations issued in view of its execution.

(4) The National Bank shall have the right to:

a) change the approved plan, both before and in the process of its implementation;

b) impose certain remedial measures;

c) withdraw the license at any time and initiate the process of forced liquidation of the bank on the grounds provided by this Law.

(5) When analyzing the costs and benefits of different possibilities contained in the special administrator's report, under paragraph (2) letter b) and when adopting decisions under paragraph (3), the National Bank must follow, primarily, the objective of maintaining the financial stability and protecting the depositors' interests, taking into account the option with the lowest cost.

Article 37[9]. Financial recovery measures

(1) In order to remedy the financial situation of the bank, one or more of the following measures could be taken:

a) changing the structure of assets and liabilities of the bank;

b) changing the organizational structure of the bank;

c) additional financing on behalf of bank's shareholders and other persons;

d) increasing bank's capital;

e) other measures that allow for remediation of financial situation of the bank and are acceptable for the National Bank.

(2) Changing the structure of assets could involve:
a) improving loan portfolio, including replacement of non-liquid assets with the liquid ones;
b) changing maturity term of assets with the scope of ensuring execution of bank's obligations;
c) reducing expenditures, including administrative ones;
d) selling certain assets.
(3) Changing the structure of liabilities could involve:
a) increasing equity capital;
b) reducing the share of expenditures in the general structure of liabilities;
c) increasing the medium and long term liabilities in the general structure of liabilities.
(4) Changing the organizational structure of the bank could be done by:
a) reducing the composition or the number of employees;
b) changing the structure, reducing or liquidating separate subdivisions and other structural subdivisions.
(5) Additional financing on behalf of banks shareholders and other persons could be done in the following forms:
a) additional contributions;
b) renouncing on distribution of profits among the shareholders;
c) postponing or rescheduling payment of bank debts;
d) issuing guarantees on loans obtained from the bank;
e) creating deposits in the bank with low interest rate and sufficiently long term (at least one year);
f) novation, taking over, transferring bank's debt.
(6) The bank and its shareholders must undertake financial recovery measures in due time.

Article 37[10]. Particularities of the bank's capital reduction and increase
(1) If the registered capital losses can not be covered from general reserves, and undistributed profits of previous years, the special administrator may decide to reduce the share capital and to increase the bank's capital.
(2) The decision on reducing the share capital shall be published within 3 days.
(3) In case when the share capital of the bank is reduced as provided by paragraph (1) of this article, the provisions of Art. 45, paragraphs (3) – (5) of Law on Joint Stock Companies, No. 1134-XIII of April 2, 1997 shall not be applied.
(4) If the National Bank, based on the report referred to in Art.37[8], concludes on the need to increase the bank's capital to ensure the amount of regulatory capital or to remove liquidity shortage or the danger of insolvency, the National Bank may instructs the special administrator to convene an extraordinary general meeting of shareholders and to propose the adoption of the decision to increase bank's capital.
(5) Within 10 days after the receipt of instructions specified in paragraph (4), the special administrator shall ensure notification of the bank shareholders on convocation of an extraordinary general meeting, while the general meeting of shareholders shall be convened within 15 days from the date of notification.
(6) In case when there is a need to increase the share capital, justified by important reasons and a serious intention on behalf of one investor to participate in the bank's

capital, the special administrator can reduce the term of preemption rights of shareholders to 14 days from the adoption of the decision on increasing the bank's capital.
(7) Contributions in view of paying for shares of additional issuance shall be done within the terms established by the special administrator.
(8) In case when the general meeting of shareholders refused to adopt the decision on the increase of capital or in case when the shares were not subscribed or paid by the shareholders in due time, the special administrator can propose to other persons the subscription to such shares.
(9) By way of derogation from the provisions of the securities market legislation, the National Commission of Financial Markets shall register/approve the changes related to the additional issuance of shares within 3 working days after obtaining the positive notice of the National Bank, issued at the request of the special administrator.
(10) The persons contributing to the increase of bank's capital shall purchase the shares of additional issuance under the condition of obtaining the permission of the National Bank in cases provided by this Law.
(11) The special administrator shall undertake necessary measures for bringing the constitutive documents of the bank in accordance with the taken decisions.

Article 37^{11}. Peculiarities of the reorganization and sale of the bank
(1) If the special administrator's report, set forth in art.37^{8}, contains recommendations on reorganization of the bank by merging with another bank or its sale or other actions related to the competence of the shareholders general meeting, the National Bank may instruct the special administrator to convene an extraordinary general meeting of shareholders in view of adopting the necessary decisions. Provisions set forth in Art.37_{10} paragraph (5) shall be applied accordingly.
(2) If the general extraordinary meeting of shareholders did not adopt the decisions provided by paragraph (1), these may be adopted by the special administrator.
(3) Reorganization of a bank shall be done by the special administrator with the written permission issued by the National Bank, under the provisions set forth in Art.16 and Art.38^{7} paragraph (2), accordingly applied.
(4) In case of reorganization of a bank, the provisions of Art. 93 paragraphs (7) and (8) of Law on Joint Stock Companies, No. 1134-XIII of April 2,1997, shall not be applied.
(5) Selling of a bank to another bank shall be done by the special administrator upon written permission issued by the Nation al Bank under the provisions set forth by Art. 38^{7} paragraphs (2)-(4) and (9)-(15), which shall be properly applied. The special administrator, immediately after transferring the bank's assets and liabilities, shall request to the National Bank, through an application, the withdrawal of license.
(6) In case of withdrawal of a license, the special administrator shall submit to the state registration authority the request for deleting the bank from the State Register of legal entities and shall take other necessary actions under the procedure established by law.

Article 37^{12}. Particularities of the refusal of execution of the bank's liabilities
(1) Except for the cases provided by civil law, the special administrator may refuse to execute the bank's liabilities arising from contracts and other legal documents, without reparation of caused prejudices, if any of the following grounds exist:
a) the object of performance constitutes the free of charge transfer of bank assets;

b) the object of performance constitutes the investment or future disbursement of bank funds;
c) the execution of liabilities is obviously disadvantageous for the bank in relation to other similar liabilities arising from the comparable circumstances. The obligation is assumed as obviously disadvantageous if the reciprocal services of the parties of obligation are nonequivalent by more than 20 percent. The existence of non- equivalence can be proved by the conclusions drawn by an independent expert, as well as by other evidence. The special administrator can prove the obviously disadvantageous nature of the execution of liabilities in other cases as well;
d) execution of liabilities will impede the remediation of financial situation of the bank, especially if causing additional prejudices or infringement of interests of the creditors.
(2) Refusal to execute the liabilities is allowed as long as the obligation remains unexecuted.

Article 37[13]. Particularities related to transferring bank obligations
(1) With the scope of preventing mass requests of the depositors demanding the pre-term execution of bank liabilities, the special administrator may conclude an agreement with another bank (acquiring bank), pursuant to which the assuming bank will accept in whole or in part the liabilities of the first bank (assigned bank) to depositors and other creditors. As compensation for assuming the bank liabilities, the assets of the assigned bank may be transferred to the acquiring bank.
(2) Transfer of liabilities and assets shall be done in conformity with duly applied provisions set forth in Art.38[7] paragraphs (8), (17), (18), (20)-(23).
(3) In case of transfer of the obligations related to deposits, the entitled depositors shall have the option to keep their deposits in the acquiring bank or to request the bank to repay their deposits.

Article 37[14].Offsetting the reciprocal claims
(1) Establishing the special administration shall not affect the right of a creditor or a bank for offsetting reciprocal claims, if such right arose before the date of instituting the special administration.
(2) The offsetting, including by a unilateral statement made by one of the parties shall not be allowed in the case when:
a) the creditor's debt to the bank has appeared after the date of establishing the special administration;
b) the creditor acquired the debt from another creditor after the date of establishing the special administration;
c) the creditor acquired the possibility to declare the offsetting on the basis of cancellable legal act.
(3) Offsetting acts done in violation of the provisions set forth in the present article shall be void.

Article 37[15].Moratorium
(1) With the scope of preventing the worsening of financial situation of a bank and saving its assets, the National Bank upon establishing or in the course of special administration may decide to postpone the fulfillment of creditors' claims and transfer of bank assets for

a term of up to 2 months (moratorium). Moratorium is not an insolvency situation of a bank.
(2) The effect of the moratorium may be limited to certain categories of creditors, claims or assets or to a certain value of them.
(3) The effect of the moratorium does not apply to the following:
a) claims on deposits and other pecuniary obligations that constituted/arisen from the transactions concluded after the date of establishing the moratorium;
b) claims of bank employees for payment of salaries, royalties, compensation for damages caused by mutilation or other harm caused to health or the death, as well as on creditors claims on payment of salaries, pensions, family maintenance, scholarships, social benefits within the limits established by the special administrator;
c) claims on covering administrative expenditures, required for ensuring bank's activity, and provided by Art.38[8] paragraph (1);
d) carrying out offsetting of reciprocal claims pursuant to Art.37[14].
(4) During the term of the moratorium:
a) interest, penalties and other measures of financial liability for failure to fulfill or undue fulfillment of bank obligations, shall not be applied;
b) interest established on bank obligations shall be calculated but shall be paid only after the expiry of the term of moratorium or in case of its early termination by National Bank;
c) initiation and continuation of judiciary or administrative proceedings, as well as application of other methods of legal protection with the scope of obtaining or ensuring payment related to deposits or debts shall not be allowed;
d) execution of court orders or other acts subject to enforced execution with regard to the monitoring the bank's assets, including pledged assets shall be suspended, except in cases related to claims which are not covered by the effect of moratorium as provided by paragraph (3).
e) satisfaction of the claim of a bank shareholder with regard to the repurchasing of shares following which the shareholder intends to leave the shareholding, shall not be allowed.
(5) An announcement about establishing a moratorium shall be published as provided by Art.37[4] paragraph (5).

Article 37[16]. Expenditures related to special administration
(1) The expenditures related to special administration of a bank shall be incurred at the bank's own expense.
(2) Remuneration of the work done by the special administrator shall be established by the National Bank. Remuneration of the work done by the special administrator in case he/she is an employee of the National Bank shall be carried out at the expense of the latter.
(3) Remuneration of persons hired to provide assistance to the special administrator should not be higher than the remuneration paid to the bank employees for similar services.
(4) The National Bank shall be entitled to establish conditions and limits of expenditures related to special administration.

Article 37[17]. Termination of special administration

(1) The special administration shall terminate:
a) upon the expiry of the term for which it was instituted / extended;
b) by the National Bank decision taken before the expiration of the term of special administration, based on a report submitted by the special administrator;
c) in connection with license withdrawal, especially if the circumstances that served as the ground for establishing special administration were not liquidated, or if in the opinion of the National Bank these cannot be liquidated during the period of special administration.
(2) The termination of special administration shall be immediately communicated in writing to the respective bank and Deposits Guarantee Fund and an announcement shall be published as provided by Art.37[4] paragraph (5).
(3) Termination of the special administration pursuant to paragraph (1) letters a) and b) has as effect the resumption of competences by the bank's managerial bodies and managers suspended from office during the period of special administration unless they have been dismissed under the law and there is no National Bank prescription on the replacement of the administrator or limitation of its powers pursuant to Article 38 paragraphs (2) item 3) letter (f).
(4) In case of termination of the special administration pursuant to paragraph (1) letter c), the activity of the special administrator shall continue until the liquidator assumes the bank management. The special administrator shall immediately give to the liquidator the control over the bank, its assets, records, documents, and information.
(5) Within one month after termination of his/her mandate, the special administrator shall submit to the National Bank the final report on the results of the special administration.

Article 37[18]. Disputes related to the special administration
(1) The Decision of the National Bank regarding the establishment/extension of the special administration term, other its actions, as well as the actions of the special administrator may be appealed in a competent court.
(2) Disputes between the National Bank, special administrator and other persons shall be resolved in accordance with Article 38, paragraph (7).
(3) In case of serious violations found in the activity of the special administrator, the court may force the National Bank to dismiss him/her and appoint another person in his/her place.
(4) For concealment of information from the National Bank, its misleading, concealing, damaging, destroying, falsifying documents and bank records for the receipt of money, assets, remuneration, compensations, other illegal favors or promises, undertaking or non-undertaking of certain action, concluding legal documents favoring some creditors over other creditors entitled and for other intentional illegal actions, the special administrator may be subjects to contraventional or criminal liability in accordance with the law.

CHAPTER VI
VIOLATIONS, REMEDIAL MEASURES AND SANCTIONS

Article 38. Violations, remedial measures and sanctions
(1) The National Bank may apply the following sanctions if it determines that the bank (financial institution) or any of its shareholders or administrators are guilty of an

infraction consisting of: a violation of this Law or regulations of the National Bank, the conditions for issuance of license or the requirements provided by the authorization, permission, approval, confirmation (hereinafter *authorization*); the breach of the fiduciary obligations;
obligations stipulated by the legislation regarding the prevention and combating money laundering and terrorism financing, which compliance control falls under the competences of the National Bank, endangers the interests of the depositor; the failure to report; late reporting;
reporting of erroneous data on banking prudential indicators or other requirements provided in the normative acts of the National Bank; failure to comply with remedial measures established by the National Bank or if considering the specific current or previous financial situation of the bank (financial institution):
a) issue written warning;
d) impose fines to the bank (financial institutions) up to 0.5% of the capital of the bank (financial institution) and/ or to the administrator within 1 to 10 average salaries on financial activities according to data of the National Bureau of Statistics for the month preceding the date of infraction, including for non-compliance to the decision of suspending the transaction, issued by the body entitled with powers related to the prevention and combating money laundering and terrorism financing;
e) withdraw the confirmation issued to the administrator of the bank (financial institution);
f) limit or desist the activity of the bank (financial institution);
h) withdraw the license or authorization.
(2) In case of finding out the violations mentioned in paragraph (1), the National Bank may require the bank (financial institution) the following remedial measures, but not limited to these:
1) to prescribe the bank the termination and liquidation of the committed violations;
2) to conclude an agreement with the bank that provides remedial measures;
3) to prescribe one or more of the following measures to the bank:
a) that the average total assets of the institution during each quarter shall not exceed its average total assets during the preceding quarter;
b) that the institution not acquire any equity interest in any legal entity, establish or acquire any additional branch office, or engage in any new line of business;
c) that the institution not grant any extension of credit to an affiliate unless such credit is collateralized by Government issued or guaranteed tangible assets, whose market value exceeds at all times 125% of the amount of the credit;
d) that the interest rate the institutions pay on deposits shall not exceed the prevailing rates of interest on deposits of comparable amounts and maturities in the region where the institution is located;
e) to restrict, suspend any activity; to restrict, suspend or prohibit certain transactions or operations;
f) that the institution substitute one or more administrators who had held office for more than 180 days immediately before the bank (financial institution) became undercapitalized or restrict their competences;

g) to divest itself of or to liquidate any subsidiary if the National Bank determines that the subsidiary is becoming insolvent and poses a significant risk to the financial risk or is likely to cause significant dissipation of the institution's assets or earnings;
h) that no employee receives any payments (bonuses and other additional payment to the basic salary), retributions (compensations), except those provided by labor legislation or salaries exceeding the amount of average salaries (excluding bonuses, retributions and stock options and profit sharing) during the twelve calendar months preceding the month in which the institution became undercapitalized;
i) to increase reserves to cover the possible losses on loans and other assets;
j) to prohibit the payment of dividends or other distribution of capital;
k) to implement measures of financial recovery referred to in Article 37^{9}.
4) to establish special supervision or, where appropriate, a special administration of the bank, according to chapters V^{1} and V^{2}.
(3) The National Bank shall withdraw the license and initiate the forced liquidation of the bank in case if it is found that the bank is in one of the following insolvency situations:
a) the bank is unable to execute the payment requests of the creditors regarding the outstanding monetary obligations (default);
b) the bank's assets no longer cover its obligations (over-indebtedness);
c) the bank's capital is less than one third compared to the regulated capital.
(3^{1})In the event a bank is insolvent or over-indebted, or there is a risk to face insolvency situation, the executive authority of the bank is obliged to inform immediately the National Bank of Moldova.
(4) The measures and penalties provided in this article shall not preclude application of other measures and penalties as provided by the legislation.
(5) The measures and penalties applied by the National Bank in accordance with this article shall be paid to the State budget.
(5^{1}) Finding violations, applying sanctions and other measures shall be carried out according to the provisions of Law no. 548-XIII of July 21, 1995 on the National Bank of Moldova, if this law does not provide otherwise.
(5^{2}) Sanctions and other measures shall be applied by the Council of administration of the National Bank. The sanctions and measures provided in paragraph (1), letter a), paragraph (2) items 1) and 2) can be applied by the governor, first deputy governor or deputy governors, and those referred to in paragraph (1), letter d), paragraph (2) item 3) – by the National Bank's governor.
(5^{3}) If the law does not provide otherwise, the application of sanctions and other measures is subject to professional and banking secrecy provisions.
(5^{4}) The National Bank is the sole authority able to decide on considerations of opportunity, qualitative assessments and analysis, which underlie on the issue of acts regarding the application of sanctions and other measures.
(6) By derogation from legislative provisions on administrative contentious matter, only the shareholders of the banks that in total hold at least 25% of voting shares, depositors that hold at least one-fourth of total deposits or other creditors that hold at least one-fourth of total credits (except deposits) may address the competent court within 30 days from licence withdrawal to appeal the decision of the National Bank to withdraw the license indicating the reasons within provisions of paragraph (3).

(7) The measures and penalties applied by the National Bank of Moldova may be appealed by a competent court. Where a suit is instituted against the National Bank of Moldova with regard to application of provisions of this Law, it shall be presumed that:
a) if the court determines that the actions applied by the National Bank towards the bank are illegal, the National Bank shall pay all material claims and the withdrawal of license shall remain valid;
b) the suit shall not have impact upon the liquidation process and shall not determine the suspension of actions applied by the National Bank.
c) the court shall establish the legality of actions undertaken in order to execute the present law and shall decide solely on the fact if they were intentionally or unintentionally.
d) the National Bank's employees, members of the special supervision commission, special administrator, liquidator and persons employed to assist them, shall not be liable for damages, actions or omissions that occurred when exercising their duties, except for cases if it was proven that these are intentional and unlawful.

CHAPTER VI[1]
BANK'S FORCED LIQUIDATION

Article 38[1]. General provisions regarding the forced liquidation of the bank
(1) In case of withdrawal of the bank license as a result of finding at least one of the situations of insolvency referred to in Article 38, paragraph (3) or in one of the other situations stipulated in Article 10, except paragraph (1), letters a), f), h) and paragraph (2) of this Article, the National Bank, ex officio, shall make the decision to initiate the process of forced liquidation of the bank.
(2) Liquidation of the bank for other reasons than that of insolvency does not impede the initiation of forced liquidation under insolvency grounds, except if during the process of liquidation it was found that the bank had become insolvent.
(3) Upon the withdrawal of the license and beginning of the process of forced liquidation of the bank, the National Bank appoints a liquidator. For founded reasons, the National Bank may replace the liquidator.
(4) The Order of the National Bank on the appointment (replacement) of the liquidator shall be published within seven days after its adoption in the Official Monitor of the Republic of Moldova.
(5) From the date of withdrawal of bank license:
a) the National Bank shall close the accounts in MDL of the respective bank and open a new account specifying "bank in the liquidation process", where the available at that time funds will be transferred and through which the liquidator shall conduct all MDL operations of the bank to be liquidated;
b) the liquidator shall close the accounts in foreign currencies opened in other banks (including in the National Bank), and the foreign currency available in these accounts at that time, upon the liquidator's order, shall be transferred according to the types of foreign currency in one or more accounts with the specification indicated in letter a), opened with a bank/banks from the Republic of Moldova, by means of which the liquidator will carry out the foreign currency transactions of the bank to be liquidated.
(6) Forced liquidation of the bank shall be carried out extra judicially.

(7) The process of bank's liquidation cannot exceed 3 years from the date of the license withdrawal. The term may be extended by the National Bank for maximum one year, based on the justified request of the bank's liquidator.

Article 38[2] Conditions for the appointment of a liquidator

(1) An individual that meets a bank's administrator requirements shall be appointed as liquidator which are established in the respective regulation of the National Bank.

(2) Liquidator can not be the person that:

(a) has criminal record;

(b) the last 5 years was sued in civil court for fictitious or simulated legal acts, acts affected by error, concluded through fraud, violence, following a fraudulent agreement or the violation of fiduciary obligations;

(c) is charged against criminal offences or accused in a civil lawsuit;

(d) did not honour its payment obligations or interest payment to the bank under liquidation or to any bank for the last 3 years.

(3) In order to determine the existence/inexistence of the conflicts of interest, the liquidator will submit, before its appointment, to the National Bank the information about its personal and business interests, as well as information about its financial relations, of its spouse and children, including about:

a) the debt to the bank under liquidation, the activity in that bank or about the ownership of certain rights;

b) the relations over the last 5 years with any bank as employee, administrator or shareholder with a significant interest;

c) the financial, business or individual relations with any person that has certain interests in the bank under liquidation and its assets, including information about a future employment to the given person;

d) the failure to honour the patrimonial obligations to any other bank over the last 5 years;

e) the ownership of a property that competes with the bank's real estate if the bank's liquidation requires their assessment, possession and management;

f) other financial and business interests that can affect to exercise impartially the function of liquidator;

g) other information required by the National Bank.

(4) Additionally to the information mentioned in paragraph (3), the person will submit the information that certifies the inexistence of any conflict of interest following its personal interests and relations with the National Bank, and if such a conflict exists – the information about this conflict and, despite this fact, will request the National Bank to authorize the activity of liquidator.

(5) Before appointing the person as liquidator, the National Bank should ensure itself that there is no conflict of interest, and if such a conflict exists, should convince itself that the person is capable to act impartially under the immaterial nature of the conflict and will consider it as exception.

(6) In the event a conflict of interest occurs after its appointment, the liquidator will inform the National Bank immediately after he found out about, as well as on the actions that he has undertaken or will undertake for eliminating the conflict, and will require the permission of the National Bank to continue its activity.

(7) If the National Bank determines that such a conflict is unacceptable, the liquidator should resolve it in a way that would satisfy the National Bank or should resign.
(8) The liquidator will carry out impartially its attributions. Thus, he is not empowered to:
a) to perform its activity if there is a conflict of interest, except for the case when the National Bank was informed about and allows him to continue its activity;
b) to request or accept, directly or indirectly, any services, gifts, other valuables and benefits from any person about which the liquidator knows that he/she intends to obtain certain advantages in relation with the bank's liquidation or has interests that can be affected substantially by the execution/non-execution of certain attributions by the liquidator.
c) to use or to allow the use of the goods of the National Bank or of goods the liquidator has the right to manage for its personal interest or for the third parties' interest, apart from the interests of the National Bank and other banks under liquidation;
d) to make promises or assume commitments in the name of the National Bank without its authorization.
(9) The liquidator has no right to disclose the information that represents a commercial and banking secret or any other secret protected by law only if it is necessary in the exercise of its duties.

Article 38^3. Liquidation announcement
The liquidator:
a) posts to every separate subdivision of the bank, within 3 days from the date of its appointment, an announcement about the withdrawal of the bank's license and the beginning of the liquidation indicating the name and surname of the liquidator, the date and place when he becomes the bank's administrator.
b) publishes the announcement indicated under letter a) in the Official Monitor of the Republic of Moldova, in newspapers of general circulation, as well as in newspapers wherever the bank has separate subdivisions;
c) delivers to the National Bank, within 3 days from the publication of announcements, copies thereof.

Article 38^4 Liquidator's main attributions and rights
(1) The liquidator has exclusive rights to govern, manage and control the bank (hereinafter – bank's management) and to undertake any measures for its efficient liquidation and for obtaining the maximum amount from the sale of assets, including the right:
a) to continue or desist any operation of the bank;
b) to borrow money guaranteed with its assets or without guaranty;
c) to suspend or limit the payment of debts provided under letter g) the forth line;
d) to hire specialists, experts or professional consultants;
e) to administer the bank's account;
f) to collect the debts to the bank and to recover its goods owned by the third parties, to contact the law authorities;
g) to perform any operation in the name of the bank, taking into account the necessity of obtaining the preliminary approval of the National Bank for carrying out the following operations:

- the sale or other form of liquidation of any asset of the bank in the value of over 1 million lei;
- the extension of guarantees based on the bank's assets in favour of the creditor that extends to the bank a new loan of over 500 thousand lei.;
- the reduction or cancellation of any debt to the bank, whose validity is doubtful, if this exceeds 200 thousand million;
- the payment of any debts to the bank (except debts resulted from commitments assumed by the liquidator in the exercise of its function) before the closing of procedures provided under Art. 38^{9} and 38^{10}, including the payment of debts to depositors and other creditors in the amounts which, in the opinion of the National Bank, can be used for this purpose, at the same time taking into account the fact that all depositors and other creditors that are in similar situations should be fairly treated;
h) to receive bank registers, documents and information from the management bodies, the bank's employees and any other person;
i) to formulate the objections against the creditors claims submitted to the bank, to negotiate the bank's obligations with a view to their novation, reduction, rescheduling, and taking these over by another person or remission of debts, to terminate the bank's contracts in accordance with the legislation.
(1_1) Immediately after undertaking bank's management, the liquidator shall take measures to ensure the integrity of bank assets, registers, documents and information, as well he/she may undertake measures envisaged in Article 37_6 paragraph (7), notifies the separate subdivisions of the bank, correspondent banks, the state registration body, the holders of public registers, central securities depository and registrar that maintains the register of holders of securities of the bank and, where appropriate, other persons with regard to license withdrawal, initiation of the process of forced liquidation of the bank, and communicates information about himself/herself.
(1_2) At the request of the liquidator, the law enforcement authorities are obliged to assist him/her in obtaining the access to premises and other assets of the bank, in undertaking control and ensuring the integrity of assets, registers, documents and bank information.
(2) The liquidator has also other attributions and rights provided by the present regulation.
(3) While exercising its powers and duties, the liquidator is liable only to the National Bank.

Article 38^{5} Effects of the initiation of the liquidation procedure
(1) In addition to the effects specified in Article 11 paragraph (3), since the date of the license withdrawal:
a) the calculation of interests and penalties against bank's obligations shall be interrupted, while obligation that have not reached the maturity should be considered outstanding. The bank is not liable for the infringement of its obligations due to the fortuitous impossibility of performance in connection with its license withdrawal;
b) claims to the bank shall be satisfied as provided by this chapter;
c) the exercise of any right on the bank's assets, including tracing in connection with judiciary and execution proceedings with the scope of collecting debts, shall be suspended. No right can be exerted over assets during the bank's liquidation, except

rights given to liquidator according to the present chapter and claims on covering expenditures related to the liquidation process;
d) the payments or transfers of bank's assets performed before the beginning of the liquidation, to the detriment of the creditors interests could be declared void, except payments up to the ceiling of deposits guarantee for each depositor according to Law no.575-XV dated December 26, 2003 on the guarantee of household deposits within the banking system;
e) the liquidator takes over all vested rights of the bank's management bodies, and becomes the sole legal representative of the bank. The liquidator can authorize other persons only with those rights that he considers necessary, if the National Bank agrees;
f) the previous decisions adopted by the bank's management bodies shall be considered invalid if they are not approved (authorized) by the liquidator, as well as if they constitute an impediment in the exercise of its rights and duties;
g) operations in the bank account shall be suspended, compulsory tracing of the bank assets shall be ceased, and the seizure and other restrictions applied on it shall be lifted";
h) acceptance and performance of payments on the corresponding accounts of the bank clients shall be discontinued, while payments collected in their benefit after the date of license withdrawal should be restituted to the accounts of payers maintained in the paying banks.
i) fulfilling the obligations to the bank shall be made directly in favour of the bank even if pursuant to the clauses of the obligation the debtor has the right to fulfill the obligation in favor of another person;
j) paying off the creditor claims by offsetting reciprocal claims is not permitted, except for cases in which the right of the parties for compensation appeared before the date of license withdrawal as well as in connection with debt maturities of the respective class pursuant to the order of priority of established claims classes;
k) assignment of creditor debts, following which the new creditor (assignee) will belong to a class of claims of a higher priority compared with the one to which the assignor belonged to is not permitted;
l) the action of the mandate (power of attorney) issued by the bank ceases except for the case in which its ceasing could cause damage to the bank;
m) the creditors can submit their claims only within the process of liquidation except for claims regarding the payment of expenditures related to the liquidation process.
(2) The payments or transfers of bank assets performed before the onset of the liquidation process to the detriment of the creditors' interests are presumed to be the legal acts related to the:
a) payment or transfer, made simultaneously, fictitiously or with the intention of all the involved parties to conceal bank assets from the prosecution by the creditors or infringe their rights in any other way during 3 years prior to license withdrawal;
b) free transfer performed during 2 years prior to the license withdrawal except the ones for sponsorship and charity according to the law;
c) free transfer performed with the bank affiliated persons during 2 years prior to license withdrawal;
d) any payment or transfer in which bank performance is obviously exceeding the received one performed during one year prior to license withdrawal;

e) anticipated payments of debts performed during 6 months prior to license withdrawal if the maturity was established for a date subsequent to the date of license withdrawal;
f) establishing a pledge by the bank or any other real collateral for a debt that was unsecured during 6 months prior to withdrawal of license.
(3) The withdrawal of license does not have any retroactive effects on the bank claims and obligations arising out of or having connection with its participation in a payments or settlement system done prior to license withdrawal; and, it does not affect the execution of irrevocable securities payment/transfer documents accepted from the bank for settlement within the system of payments/system of settlements of securities prior to the withdrawal of the license.
None of the provisions of the law or other regulation or practice with regard to invalidity, termination of contracts and other legal acts, postponement or delay of obligations concluded/made up prior to the date of license withdrawal cannot result in cancelling (reversal) of the results of operation of settlement/clearing carried out in the securities payment /settlement system.
(4) Public utilities services providers holding a dominant position (supply of electric energy, natural gas, water, telephone, etc.) have no right unilaterally to refuse or interrupt the provision of such services to the bank from the date of license withdrawal, even if the bank has not paid the previously provided services. Reduction or interruption of services provision aforementioned may take place only if the liquidator does not pay, according to the contract, for the current services rendered after license withdrawal.
(5) In case when some movable asset sold to the bank but unpaid integrally at the time of license withdrawal, is found in the process of transfer (transit) or the bank or other authorized persons have not yet come into the possession of this asset, the seller may repossess this asset. In this case, the seller shall return any payments made in advance by the bank for the respective asset having the right to submit claims for the expenditures related to this transaction.
(6) In case if according to the contract with bank's participation, the obligation of a party to conclude a transaction with shares becomes outstanding after the date of license withdrawal, the contract shall be deemed terminated on that date. In this case, the difference between the contract price and value of the shares from the date of license withdrawal shall be paid to the bank, if there is a loan or added to the bank debts if there is a debt.
(7) The bank's executive bodies, not later than the next day following the day the liquidator takes the bank management, shall give off the bank's stamps and seals. Within the term established by the liquidator, any person holding the registers, documents, material values and other bank values of the bank is obliged to give them off. In case of violating these obligations or impeding liquidator's access to premises, assets, registers, documents, and bank's information, the guilty person is liable according to the law.
(8) The suspended procedures according to paragraph (1) letter c) cease from the date of registering the list of claims at the National Bank if the claim, constituting the object of procedure, was included in the list of claims validated by the liquidator and in case there are no objections. The aforementioned procedures may be resumed at the request of the creditor if:
a) the claim was not included in the list of claims registered at the National Bank;

b) the claim was included in the list of claims registered at the National Bank but a creditor has submitted objections to it.
(9) Bank creditors are entitled to submit their claims within a term of 3 months from the date of bank's license withdrawal. The creditors submitting their claims after the expiry of this term, but in any case prior to the closure of distribution (liquidation) of all assets of the bank may demand for honoring their claims as stipulated by art.38[11] paragraph (6).

Article 38[6]. Procedure of liquidation
(1) Within 3 months from the date when the liquidator becomes the bank's administrator, he begins performing the inventory of the bank's assets and delivers to the National Bank a copy thereof, to which the public will have the permanent access.
(2) The liquidator will undertake the measures provided under Art. 38[7] through transparent procedures in accordance with the legislation in force so that other banks and concerned persons could make offers for these assets, if this chapter does not provide otherwise.
(3) The liquidator, from the date when he becomes the bank's administrator, can rescind:
a) the labour contract with any employee of the bank;
b) the contracts of rendering of services to which the bank is party;
c) the contracts of location of immovable and movable property, with the condition of informing the shareholder with 30 days before about the fact that the bank exercises its discretionary right to rescind the contract of location. The shareholder has no right to require the refundment of payments related to location after the resiliation of the contract. In the event of the liquidation, no prejudice related to the contract resiliation will be repaired.
(4) Within 2 months from the date of becoming the bank's administrator, the liquidator:
a) undertakes the necessary measures in order to desist the bank's fiduciary obligations, and performs final settlements related thereto;
b) posts to all depositors, other creditors and safety services clients, to the addresses indicated in registers or handing over against signature registered notices about the type and the amount of their debts to the bank according to registers, about the necessity of withdrawal of goods by the safety services clients. The notice shall mention that the objections can be presented to the liquidator within one month from the receipt of the notice.
(5) The goods kept safely at the bank, which were not withdrawn by the shareholder until the date mentioned in the notice, will be taken over by the liquidator to be transmitted afterwards to the shareholder according to the legislation in force.
(6) The goods kept safely at the bank along with their registers and, which were not withdrawn by the shareholder shall be considered goods that other creditors can not claim.
(6^1) The goods of the bank constituting the object of pledge are included in the composition (inventory) of bank assets but are used for satisfying the pledgee's claims in the order of priority prior to satisfying other claims provided by this law.
(6^2) In case of insufficiency of funds obtained from the sale of the asset pledged to honor the claims of the pledgee or in case the creditor signs off his right of pledge, the non-honored claims are subject to honoring following the priority of classes of claims set forth in art. 38^{11}.

(7) The liquidator will submit to the National Bank, upon its request, reports and information related to the bank's liquidation.
(8) The provisions of this article, except paragraphs (2), (6_1), (7) shall not be applied in case of bank sale according to Article 38_7 paragraph (1) letter a).

Article 38^7. Actions undertaken by the liquidator. Sale procedure, transfer of assets and transfer of bank obligations
(1) The liquidator undertakes the following actions:
a) sales, with the written permission of the National Bank, the bank as a unique patrimonial complex to another bank (bank-buyer), taking into account the provisions of the present chapter;
b) organizes the sale and/or partial assumption of the bank's assets and liabilities to another bank;
c) liquidates the bank's assets under the conditions of the present chapter.
(2) In order to perform the sale-purchase transaction provided under paragraph (1) letter a) the bank-buyer will fulfill the following conditions:
a) will maintain the regulatory capital no less than the double quantum of the minimum capital established under Art. 5 paragraph (1);
b) its assets should be bigger than the assets of the bank object to sale;
c) after the transaction performance, the bank-buyer will correspond to the conditions established under Art.7 paragraph (2).
(3) By derogation from the provisions of Law no. 1134-XIII dated April, 2, 1997 on jointstock companies, the decision of the bank-buyer on transaction conclusion, related to the purchase of the bank under liquidation or of its assets according to paragraph (1), shall be taken by:
a) the council of the bank, with the majority of votes, if is 25 % but not more than 50% of assets of the bank-buyer according to the last balance sheet, until the adoption of the respective decision;
b) by the general meeting of shareholders, with the simple majority of votes, if the value of transaction is over 50% of assets of the bank-buyer according to the last balance sheet, until the adoption of the respective decision.
(4) The National Bank does not accept the request on the issuance of authorization for the bank's sale if:
a) estimates that the financial situation of the bank-buyer will worsen;
b) considers that the sale will lead to the breach of requirements by the bank-buyer related to the financial activity performance provided by the present law and by the normative acts issued for its execution:
c) the documents provided for the obtaining of permission contain incomplete, insufficient or contradictory information or the documents required additionally were not submitted, which are necessary for taking the decision for the issuance of authorization to perform the transaction.
(5) In cases provided under paragraph (1) letter a) and b), the liquidator can reduce the value of certain debts so that its depositor or other bank's creditor shall not receive less than in case of the fulfillment of bank's obligations under Art. 38^{11}.

(6) The liquidator decides on the measures enumerated in paragraph (1), which, in his opinion, lead to the obtaining of the maximum amount from the bank's sale or its assets and protect the depositors' interests and of other creditors.
(7) While determining the amount that could be obtained from bank's sale or its assets, the liquidator is obliged:
a) to evaluate the alternative offers, taking into consideration the market value of assets and applying the real rate of reductions;
b) to inform about the assessment and assessment criteria, including the interest rate, the rate of assets' recovery, the cost of assets' keeping and unforeseen expenses.
(8) The provisions of paragraphs (2)-(4) shall be applied accordingly to the transactions referred to in paragraph (1) letter b), if the value of transferred assets or obligations exceeds MDL 10 million.
(9) In order to conclude the transactions referred to in paragraph (1) letters a) and b), the liquidator shall organize an informative meeting with all the banks considered eligible to present the terms and conditions of negotiation. Before the informative meeting, the liquidator shall sign with the banks attending the meeting an agreement of confidentiality whereby they undertake to keep, under the law in force, the secret information on the tendering procedure related to the bank in the process of liquidation, its assets and liabilities that would become the object of negotiation. Failure by the administrators, shareholders, employees and other persons acting on behalf of the bank that has signed the confidentiality agreement to perform the obligation of secrecy attracts contraventional and material liability and the exclusion of the respective bank from the participation in tender.
(10) Depending on the interest manifested by the banks attending the meeting, the liquidator shall conclude a bidding offer with regard to the respective transactions that include mainly the categories and volume of assets and obligations that would make up the object of transaction, the fees established by the liquidator to be paid by the bidder, the deadline for bids submission which can not exceed 15 days.
(11) The liquidator transfers under confidentiality regime the bid offer on the respective transaction to the bidding banks that participated at the informative meeting and that have shown interest in such transaction.
(12) The liquidator should ensure access of bidding banks to the documents and information concerning the bank and its assets and liabilities that will form the object of future negotiations. Appeals of the stakeholders shall be examined in accordance with Article 38 paragraph (5^4) and paragraph (7).
(13) Within the term established for bids submission, the bidding banks shall transfer to the liquidator in a sealed envelope their offers for the proposed transaction.
(14) In the shortest possible time, the liquidator shall examine the offers and shall select, based on the principle of minimum cost, the offer/offers of the banks with which the respective transaction/transactions shall be concluded. The liquidator may decide on concluding the transaction in case of a single bidder as well.
(15) The liquidator and the winner bank of the tender shall sign a pre-contract in which the parties stipulate their obligations and, where appropriate, the date of termination of the contract, and the parties obligations for the period prior to the signing period.

(16) In the event of termination of the transaction, which envisages transfer of bank obligations, the provisions of this law on the registration at the National Bank of the list of claims to the bank, the part referring to transferred obligations shall not be applied.
(17) In case when the assets that will be transferred are not sufficient to cover the value of all obligations of the bank and the bank acquiring assets and liabilities (acquiring bank) has not given its permission for assuming all liabilities of the bank then only the obligations that belong to one/some class(es) of claims in compliance with the order of priority of classes of claims established by Article 38^{11} will be transferred. In case if the assets to be transferred are not sufficient to cover all obligations in a class of claims, it is possible to transfer only a part of the obligations to each creditor from the respective class of claims.
(18) The obligations to creditors who are bank affiliated persons cannot be transferred if the obligations to other creditors from the respective class of claims are not transferred or are not satisfied.
(19) In case of transfer of assets and liabilities, the order of priority of satisfying claims pursuant to art.38^{11} should be observed and none of the transfers of assets and liabilities will be allowed if this will change the specified order of priority.
(20) Transactions referred to in paragraph (1) do not require the permission of the management, shareholders of the bank, deponents and other creditors. In case of transferring bank obligations, the liquidator notifies the creditors in the shortest time possible on this fact, as set forth in Article 38^{9} paragraph (10).
(21) The purchasing bank/ acquiring bank bears responsibility only for the obligations assumed according to the conditions of transaction. Obligations arising from the actions of a bank of which liquidation is done on the grounds of insolvency are considered redeemed.
(22) The part of bank sale contract or that of the contract of transfer of its assets and liabilities is exempted from any taxes and payments related to the aforementioned contracts charged for making entries in public registries and services provided by the public authorities.
(23) The liquidator shall submit to the National Bank the copies of the contracts of bank sale, transfer of assets and liabilities of the bank immediately after signing them.
(24) If before taking over the bank's liabilities, there were made payments in advance in its favor by the purchasing/ acquiring bank, during the specified period on such payments shall be applied the regime of loans issued to the bank following the appointment of the liquidator.
(25) If within the term established in the tender demand with regard to the conclusion of transactions referred to in paragraph (1) letters a) and b) no bids are received or the received bids do not match the feasibility requirements for such transactions or if the National Bank rejects the issuance of a permission under paragraph (4), the liquidator shall proceed to other methods of liquidation of bank's assets and liabilities.
26) Liquidation of assets consists of making use of these assets with the a view to obtain funds to honor the creditors' claims and this shall be done by selling assets, such as buildings, land, securities, receivables, or by other methods, such as assignment of debts or novations at a negotiated value.
(27) The sale of assets is carried out taking into account their market value and taking into account the particularities of this article. The market value is not determined by the

purchasing price of the asset or by its value provided by the bank's balance sheet but rather by the amount that may be obtained for this asset from the potential buyer. In this case, for tax purposes, the basic value of assets shall be determined under the provisions set forth in the Tax Code No. 1163-XIII of April 24, 1997.
(28) When selling the assets, the receivables resulted from the contracts of credit, financial leasing and factoring contracts may be offered for sales as a single lot (sale of the bank's loan portfolio). The liquidator may sell to another bank or to any other person the receivables with a discount if it concludes about the impossibility of obtaining a larger amount of receivables, taking into account the cost of assets recovery and time required for that.
(29) The feasibility of the submitted offer shall be examined by the liquidator taking into account his obligation to liquidate the assets without any unjustified delays as well as if the sale of assets is carried out in a strict time and the price may become lower than on sales in more favorable circumstances.
(30) If the assets are not sold due to lack of demand or the cost of sale exceeds their value, or due to other founded reasons, the liquidator may renounce the bank's rights on these assets after obtaining the written permission of the National Bank.

Article 38[8]. Expenses related to liquidation process
(1) Expenses related to the bank's liquidation process shall be made prior to other debts to the bank from the funds of its account. These expenditures include:
a) obligation to pay for public utilities and operation services, insurance costs for maintaining integrity of assets, other expenditures required to maintain the continuity of bank functioning arising in the period before and after the license withdrawal;
b) obligation to pay rental services, employee labor remuneration, allowances in relation to their dismissal, the labor remuneration of the liquidator and the persons involved therein, court costs, expenses relating to the publication of announcements, delivery of notifications, inventory, assessment, administration of property (including the transfer of property), distribution (liquidation) of bank assets, other expenditures and payment obligations required in the process of bank liquidation as well as obligation to pay taxes, fees and other obligatory payments in the period after the license withdrawal.
(2) The remuneration of the liquidator shall be established by the National Bank and shall be paid from the funds of account of the bank under liquidation, except the case when the liquidator is an employee of the National Bank.
(3) The remuneration of the persons that assists the liquidator in the liquidation process can not be bigger than the remuneration of the banks' employees for similar services.
(4) In the event of insufficient means for covering the expenses related to the bank's liquidation according to paragraph (1)-(3), the National Bank is empowered to cover them.
(5) The National Bank is empowered to establish the conditions and limits of expenses related to the bank's liquidation.

Article 38[9]. Preliminary measures related to the payment of debts to the bank
(1) Within 5 days from the date of license withdrawal on the grounds of insolvency, the liquidator, based on the registers and other data available at the bank, establishes the amount due for each personal deposit guaranteed in accordance with the Law No.575-XV

of December 26, 2003 on guaranteeing individuals deposits in the banking system, prepares a list of claims related to these deposits and transfers it to the deposits guarantee fund in the banking system for making payments in accordance with the aforementioned law.
(2) Within 2 months from the last date mentioned in the notice provided under Art 38^6 paragraph (4), letter b), the liquidator:
a) does not accept the debts whose validity is doubtful;
b) establishes the amount due to each depositor, another creditor and the priority classes of debts;
c) works out the list of debts validated in order to be registered at the National Bank;
d) informs in written form each person whose debts were not entirely validated;
e) publishes an announcement three times, within a time frame of 7 days, in the Official Monitor of the Republic of Moldova, in newspapers of general circulation, as well as in newspapers wherever the offices of the bank concerned are located, about the date and the place where the creditors could find out the information on their validated claims, as well as about the date when the liquidator will present the list of claims to the National Bank in order to be registered and, which will be established within the limit of 15 days from the date of the last announcement publication.
(3) Creditors claims shall be established based on the registers, documents and other information available to the bank and in case of submission of claims by the written request of the creditor – and based on court decisions and other documents confirming the validity of claims.
(4) The value of the claim of deponent, having more than one deposit in the bank, is established by summing up all the deposits.
(5) The amount of debt denominated in foreign currency is set at the official rate of MDL against the respective foreign currency, as of the date of withdrawal of bank licenses, and paid in lei.
(6) The full name, address (for individuals), name, legal address (for legal entity) of the creditor, bases, and the amount of debt shall be entered in the list of claims. Contested claims or claims subject to litigation are entered in the contested part separately with the respective notes.
The creditors whose claims secured by collateral (secured creditors) shall be recorded on a separate list indicating the pledged asset. Other relevant information may be recorded in the list of claims for satisfying them.
(7) The claims shall be included in the list in the order of priority classes. The sheets of the list of claims shall be numbered and stitched together.
(8) The list of claims is subject to provisions with regard to the banking secrecy.
(9) The National Bank shall record the list of claims within a term of 5 days from the date of its proper submission by the liquidator. Registration of the list of claims shall not involve examining the merits of the claim, the value of each validated claim and the class of claim in which this is included as well as their correction.
(10) Prior to starting the process of honoring the claims according to the respective class of claims, the liquidator shall publish at least in one newspaper of general distribution and in one newspaper from the localities where the bank has its separate subdivisions, an announcement on the place, manner, and terms of honoring".

(11) In case if, before the date of starting honoring the claims of the creditors, the liquidator became aware of the disputes examined in court between the creditor and the liquidator regarding the creditor's claim not included in the list of claims and claims submitted before the registration of the list of claims at the National Bank, he/she shall set apart funds for the proportionate satisfaction of the respective claim, within the possibilities of funds available to honor the class of claims to which this claim belongs.

Article 38^{10}. Complaints on preliminary measures related to the payment of debts to the bank

(1) Within 20 days from the date of registering the list of debts to the National Bank, any depositor, any other creditor or one or more shareholders of the bank that hold at least 10% of shares with voting right can complain to the National Bank against the measures undertaken by the liquidator provided under Art. 38_9 paragraph (2), letter a) and b). The National Bank will solve this situation within a month from the date of complaint submission.

(2) In case the expressed objections are motivated, the National Bank issues an order on the modification of the list of debts and of the mechanism proposed for their payment.

(3) After the expiration of the term for solving the contestation indicated in paragraph (1), the list of debts registered to the National Bank can not be modified.

Article 38^{11} Payment of debts to bank and payment priorities

(1) The payment of debts to the bank under liquidation is performed after the expiration of the term for solving the contestation provided under Article 38_{10}, with the condition of their validation and registration of the list of debts to the National Bank, if not otherwise specified.

(2) The debts related to household deposits, guaranteed according to Law no. 575-XV dated December, 26 2003 on the guarantee of household deposits within the banking system, shall be honoured by the Deposit Guarantee Fund according to the mentioned law, after receiving the list of claims made by the liquidator according to Article 38_9 paragraph (1).

(2^1) Validated claims related to the bank's employee's salaries for the period up to three months preceding the withdrawal of bank licenses, payment of family maintenance, repair of damage caused by mutilation or by another injury to health or death shall be honored before honoring the claims under paragraph (3).

(3) The validated debts shall be honoured according to the established priority classes of debts, as follows:

a) credits extended to the bank by the National Bank until the appointment of the liquidator;

b) the unpaid amounts on household deposits, remained after the performance of payments according to Law no. 575-XV dated December, 26 2003 on the guarantee of household deposits within the banking system, in the limit established by the National Bank;

c) credits extended to the bank by other banks until the appointment of the liquidator;

d) credits extended to the bank after the appointment of the liquidator;

e) the debts of the Deposit Guarantee Fund in the amounts paid as compensation of guaranteed deposits;

f) the unpaid sums on household deposits, remained after the performance of payments according to letter b):
g) deposits of businesses and of individual enterprises;
h) the payments to the national public budget, settled from contributors, which were not transferred on the respective accounts of the budgetary system;
i) other debts.
(3^1) Creditors' claims that belong to one class of claims should be honored after satisfying all the claims that belong to the preceding class of claims.
(3^2) If within the period announced by the liquidator to honor the claims, the creditor does not appear to receive his claim, the liquidator shall deposit the funds due to this creditor to an account opened with another bank on behalf of the creditor.
(4) The validated debts based on the decision of the law authorities shall be honoured according to the established schedule for the classes of debts enumerated in paragraph (3), except for claims not registered on the list of claims in due time (unregistered claims), validated on the basis of decisions issued after the deadline for solving the contestation pursuant to Article 38^{10} paragraph (1), which shall be honored:
a) from the reserved funds – in cases provided by Article 38^9 paragraph (11);
b) after the payment of claims of the respective class (but prior to satisfying claims from the next class) if the payments in view of satisfying these claims started before the liquidator received the unregistered claims;
c) under paragraph (6), if the unregistered claims were received by the liquidator after satisfying all the claims.
(5) If the amount available for the payment of debts from one of the classes mentioned in paragraphs (2^1) and (3) is insufficient for their total coverage, the value of each debt from this class shall be reduced proportionally.
(6) After the payment of all validated debts, the debts remained unpaid, unregistered in due time in the list indicated under Art. 38 letter c) will be honoured as well, from the assets that remained after satisfying the claims included in due time within that list.
(7) The payment of subordinated debts shall be performed after the payment of debts of all bank's creditors before the payment of debts of shareholders according to Art. (8).
(8) The remained assets after the payment of all debts to the bank shall be distributed to its shareholders according to their shares.
(9) Claims that were not honored due to insufficiency of bank assets as well as bank obligations, in respect of which the claims were not submitted in due time shall be deemed extinguished.
(10) The liquidator includes in the list of claims the information on honoring/paying off the creditors' claims.

Article 38^{12}. Reporting. Completion of liquidation process
(1) After the distribution (liquidation) of all bank's assets, the liquidator submits a report to the National Bank. The report should contain information on the value and classes of honored and non-honored creditors' claims, on use of assets, on assets considered non-eligible or assets that have no value, and annexing, if necessary, the justifying documents and other required information. The statement of affairs and other relevant documents of the bank shall be attached to the report.

(2) After the approval of the report, the National Bank and the liquidator will be exempted of any obligation related to the bank's liquidation.
(3) The liquidator shall submit to the state registration body the request to remove the bank from the state register of legal entities and shall carry out other actions required for this purpose following the procedure established by the law.

Article 38[13]. Responsibility of the liquidator
(1) In the event when the liquidator does nor observe the present law, the National Bank will relive him of his position.
(2) The liquidator will be tried for contravention according to law if he commits illegal actions in the process of exercising its attributions.
(3) The disputes arising between the liquidator, the National Bank and other persons with regard to the bank's liquidation shall be settled according to Art, 38 paragraph (7).

Article 38[14]. Reopening the liquidation process
(1) If, after the approval of the liquidator's report or erasure of the bank from the state register of legal entities, certain assets of the bank have been identified, the National Bank, at the request of creditors or ex officio, may decide to reopen the process of bank forced liquidation and, if necessary, may appoint a liquidator.
(2) The funds obtained from liquidation (use) of disclosed assets shall be used to honor the claims of the entitled creditors according to the procedure set forth in this law.
(3) In case of appointment, the liquidator shall submit to the National Bank a report on the additionally liquidated (used) assets and on the claims additionally honored.

Chapter VI[2]
VOLUNTARY LIQUIDATION OF THE BANK

Article 38[15]. Conditions of voluntary liquidation
(1) Bank's liquidation based on the decision taken by the shareholders (voluntary liquidation) shall be made under the procedure prescribed by the regulations governing the liquidation of companies, taking into account the provisions of this law.
(2) The decision on voluntary liquidation of the bank may be taken by the general meeting of shareholders only in case if the bank is not in a situation of insolvency. The decision of the general meeting of shareholders shall be adopted by the vote of at least two thirds of the total number of votes of the shareholders present at the meeting.
(3) In case of approval of the decision on voluntary liquidation, the bank shall request the National Bank to withdraw the license and issue a permission for voluntary liquidation. The application shall be submitted to the National Bank within five days from the date of adoption of the decision by the general meeting of shareholders. The application shall have enclosed the decision on voluntary liquidation, the liquidation plan approved by the general meeting of shareholders, which shall include the liquidation phases, procedure and terms of satisfying the creditors' claims, the balance sheet that confirms the sufficiency of funds to honor the claims, information on the composition of the liquidation commission (appointed liquidator) and other necessary data.

(4) The National Bank shall examine the application within two months from the date of submitting the required documents and issue permission for voluntary liquidation in case if it finds out that:
a) the decision on voluntary liquidation of the bank was taken according to the legislation,
b) the bank is solvent and may execute without postponing the obligations to creditors;
c) documents submitted contain complete and sufficient information;
d) the proposed plan of liquidation is in the interests of bank creditors;
e) the bank has submitted additional documents requested by the National Bank within the prescribed period, needed to ascertain whether the conditions for issuing the permission are met.
(5) Upon issuance of permission for voluntary liquidation, the National Bank shall withdraw the bank's license.

Article 38[16]. Voluntary Liquidation procedure
(1) After withdrawing the license and issuance of the permission for voluntary liquidation, the liquidation commission (liquidator) undertakes all powers over property management and operations of the bank.
(2) The liquidation commission (liquidator) shall:
a) submit, within five days from the date of withdrawal of the license, the application for liquidation of the bank at the state registration body, attaching the necessary documents, including the act of license withdrawal and the permission on the voluntary liquidation of the bank,
b) publish notices regarding the liquidation;
c) conduct an inventory of assets, valuation of assets, honor claims of creditors, and take other necessary measures related to the liquidation of the bank.
(3) The creditors' claims shall be honored in the order of priority of claims classes as follows:
a) costs related to liquidation;
b) the bank employees' salaries for the period up to 3 months preceding the decision on liquidation, alimony, compensation for damage caused by mutilation or by another injury to health or by death,
c) personal deposits;
d) loans provided to the bank, unsecured by pledge;
e) claims referred to in Article 38[11], paragraph (3) letters g)-i), in the proper order.
(4) The liquidation commission (liquidator), within 5 days from the date of completion of the liquidation statement of affairs, shall submit it to the National Bank.
(5) The voluntary liquidation of the bank does not prevent initiation of forced liquidation of it if, during the voluntary liquidation process, it is found that the bank is in a state of insolvency.
(6) In case if it is found that the bank is in a state of insolvency, the liquidation commission (liquidator) shall immediately notify the National Bank in order to initiate the process of forced liquidation and submit the report and documents certifying the bank's financial situation.
(7) Within 15 days, the National Bank shall examine the documents submitted under paragraph (6) and, if one of the grounds referred to in paragraph Article 38 paragraph (3)

is met, then it shall make the decision stating the insolvency situation of the bank and shall initiate the process of its forced liquidation.

CHAPTER VII
FINAL AND TRANSITIONAL PROVISIONS

Article 39. Transitional provisions

(1) Financial institutions that operate as banks at the time that this Law becomes effective shall be deemed to posses a license pursuant to the provisions of this Law.
(2) Applications for bank licenses that are pending on the effective date of this Law shall be returned to the applicants. The applicant will resubmit new applications in accordance with the provisions of this Law.
(3) Within the time period specified by the National Bank, or by regulation or order, all financial institution's financial condition and all operations which do not conform with the requirements of this Law and any regulations issued by the National Bank, shall conform to the requirements of this Law no later than July 1, 1996.

Article 40. Supervision and regulation of the financial institutions' activity

For the purpose of supervision and regulation of the financial institutions activities, the National Bank is empowered to issue such regulations, to control such institutions, to examine such accounts, books, other documents, and to take such other action to give effect to the provisions of this Law.

Article 41. Regulations of the National Bank

All regulations issued by the National Bank pursuant to this Law shall be published in the Official Monitor of the Republic of Moldova and shall take effect on the date of such publication or on such date as such regulation shall specify, provided that the financial institutions are informed.

Article 42. Dispute settlement

The disputes, arising between banks, banks and other persons, as well as between the National Bank and banks are settled by the competent court as prescribed by the legislation.

Article 43. Final dispositions

(1) This Law shall take effect on the date of its publication.
(2) Notwithstanding the provisions of Article 39 (3), the provisions of paragraphs 3 and 4 of Article 38 shall not become mandatory before January 1, 1996.
(3) The regulations issued by the Government shall be within one month put into accordance with the provisions of this Law.
(4) From the date this law takes effect< the following are abrogated:
- The law No 601-XII dated June 12, 1991, on Banks and Banking Activity;
- Parliament decree No 602-XII dated June 12, 1991, on the implementation of the law on Banks and Banking Activity;
- The law No 810-XII dated December 18, 1991, on completion of the law on Banks and Banking Activity;

- Parliament decree No 811-XII dated December 18, 1991, on implementation of the law on completion of the Law on Banks and Banking Activity;
- The law No 1233-XII dated December 15, 1992, for the modification and completion of the law on Banks and Banking Activity;
- The law No 166-XIII dated July 1, 1994 for the modification and completion of the law on Banks and Banking Activity;
- Parliament decree No 167-XIII dated July 1, 1994, on the implementation of the law for the modification and completion of the law on Banks and Banking Activity;
- The law No 419-XIII dated March 29, 1995, on completion of the Article 22 from the law on Banks and Banking Activity.

(5) It is suggested to the President of the Republic of Moldova to abrogate the Decree No 36-p dated April 25, 1995, on promulgation of the law for the completion of the Article 22 from the law on Banks and Banking Activity. [Art. 43 amended by Law No. 249 – XVI of 21.10.2005].

CHAIRMAN OF THE PARLIAMENT PETRU LUCINSCHI
Chisinau, July 21, 1995
No 550-XIII

- **Law No 548-XIII on the National Bank of Moldova as of 21.07.1995**

CHAPTER I
GENERAL PROVISIONS

Article 1. Legal Status of the National Bank of Moldova

(1) The National Bank of Moldova (hereinafter – the *National Bank*) is the central bank of the Republic of Moldova.

(2) The National Bank of Moldova is an autonomous public legal entity and is responsible to the Parliament.

(3) The National Bank is not subject to registration in the state Register of enterprises and in the State register of organizations.

(4) The National Bank may establish branches and representative offices at places or in countries where it deems necessary.

Article 2. Definitions used

The following definitions shall be used in this Law:

"Bank" means a financial institution engaged in the business of accepting from natural or legal persons deposits or the functional equivalents, that are transferable by different payment means and using such funds in whole or in part to make loans or investments for the account of and at the risk of the person carrying on the business.

"Claim" means a claim for assets or for any other values, submitted by a person to another person and presenting the commitment to make the payment for reimbursement of the debt or of any other forms of payment of liabilities.

"Debt security" means any negotiable instrument of indebtedness and any other instrument equivalent to such instrument of indebtedness, and any negotiable instrument giving the right to acquire another negotiable debt security by subscription or exchange. Negotiable debt securities may be in form of certificates or in a book-entry form.

"Financial institution" means a juridical person engaged in the business of accepting deposits or the functional equivalent, that are not transferable by different payment means and using such funds in whole or in part to make loans or investments for the account of and at the risk of the person carrying on the business.

"Monetary liabilities" means all liabilities reflected in the balance sheet of the National Bank, except the commitments to the Government and to the International Monetary Fund.

"Order" means an obligatory directive issued by the National Bank in implementation of the current Law to one or more financial institutions that constitute less than a class of financial institutions.

"Basic rate" means the monetary policy interest rate set out by the Council of administration and published periodically by the National Bank.

"Recommendation" means an instruction submitted by the National Bank without obligatory power.

"Regulation" means a general obligatory directive issued by the National bank in implementation of this Law to one or more classes of financial institutions and to other natural or legal persons.

Article 3. Capacity of the National Bank

The National Bank shall have the capacity to:

a. enter into contracts and issue obligations;

b. for the purpose of its business, acquire and dispose of property, whether movable or immovable;

c. institute legal proceedings and be subject to such proceedings.

Article 4. Primary Objective
(1) The primary objective of the National Bank is to achieve and maintain price stability.
(2) Without prejudice to the primary objective, the National Bank shall foster and maintain a stable market-based financial system and support the general economic policy of the State.

Article 5. General Functions
The National Bank shall have the following general functions:
a. to formulate and to implement the state monetary and foreign exchange policy;
b. to act as banker and fiscal agent of the Republic;
c. to conduct economic and monetary analysis and submit proposals to the Government on the basis of such analysis, and publish the results of such analysis;
d. to license, supervise and regulate the activity of financial institutions;
e. to provide credit facilities to banks;
f. to supervise the system of payments of the Republic and to facilitate efficient functioning of inter bank system of payments.
g. to act as the sole issuer of domestic currency in the Republic;
h. to establish the exchange rate regime of the national currency in consultation with the Government;
i. to hold and manage foreign exchange reserves of the Republic;
j. to undertake, in the name of the Republic, responsibilities and perform transactions resulting from the participation of the Republic of Moldova in the activity of international public institutions in the banking, credit and monetary spheres pursuant to conditions of international agreements;
k. to settle the balance of payments of the Republic;
l. to perform foreign exchange regulation in the territory of the Republic of Moldova.

Article 6. Cooperation with Governmental Bodies
(1) The National Bank seeks to cooperate with the Government in pursuing its objectives and shall, in accordance with Law, take such actions as it deems necessary to promote such a cooperation.
(2) The National Bank shall provide information as requested by economic and financial entities of the Government with respect to monetary and financial matters. Such entities shall provide information to the National Bank as the National Bank may request concerning macroeconomic, monetary and financial matters.
(3) All draft normative acts issued by central public authorities with reference to domains within which the National Bank performs vested attributions shall be adopted after relevant prior notice of the National Bank. The notice shall be made within 30 days from relevant request date.
(4) The National Bank shall be independent in exercising the attributions vested by this Law and shall not request, nor shall be instructed by public authorities or any other authority.

Article 7. Cooperation with International Bodies
(1) The National Bank shall represent the Republic of Moldova in all intergovernmental meetings, councils and organizations concerning monetary policy, bank licensing and supervision, and the other matters that are within its fields of competence.
(2) The National Bank may provide banking services for the benefit of foreign governmental, financial and banking institutions and for the benefit of public international organizations in which it or the Republic participates.
(3) The National Bank may participate in international organizations that pursue financial and economic stability through international cooperation.

(4) The National Bank, as agent of the Republic of Moldova may, within its powers, undertake responsibilities and perform transactions concerning the Republic's participation in international organizations.

Article 8. Communication with the Public, Government and Parliament

(1) The National Bank shall inform the public on a regular and timely basis of its analysis on macroeconomic and financial market developments and on statistical information, including with respect to monetary supply, credit expansion, balance of payments and foreign exchange market.

(2) The National Bank shall communicate with the Government on financial and budgetary matters:

(a) The Governor of the National Bank:

- may attend and may address meetings of the Government, his speech being recorded in the minutes of meetings;
- may issue a written opinion on matters which were before the meeting.

(b) The ministers responsible for economic and financial matters may attend meetings of the Council of Administration of the National Bank.

(3) The Governor of the National Bank or members of the Council of Administration shall appear before the Parliament or standing committees thereof to explain the policies of the National Bank or to comment on proposed legislation, at the request of the Parliament.

Article 9. Head Office

The head office of the National Bank shall be in Chisinau.

Article 10. Accounts

The National Bank may open accounts in its books only on behalf of the state and its agencies and instrumentalities to banks licensed by the National Bank, foreign central banks and international public financial institutions. The National Bank may not open accounts for local public administration or for enterprises, including those owned by the Republic.

Article 11. Normative Acts

In order to implement its authority, the National Bank shall have the right to issue decisions, regulations, instructions and directives. The National Bank's normative acts that are obligatory for financial institutions and other natural and legal persons shall be published in the Official Monitor of the Republic of Moldova and shall take effect on the date of their publication or on another date provided in the Act, the public shall be informed about this decision.

CHAPTER II
MONETARY AND FOREIGN EXCHANGE POLICY

Article 13. Annual Statement

(1) Annually, no later than February 1st, the National Bank shall deliver to the Parliament and to the Government and shall publish a statement that shall contain:

a. an assessment of the economic and financial conditions of the Republic and a description and an explanation of the reasons therefore, the monetary and foreign exchange policies that the National Bank intends to follow during the next year and for such longer period of time as the National Bank may decide;

b. a review and assessment of the monetary and foreign exchange policies during the previous year;

(2) The National Bank, in collaboration with the Government, shall submit to the Parliament the forecast of executing the state balance of payments for the current and the following years.

Article 14. Monetary Policy Instruments

In implementation of its monetary and foreign exchange policy responsibilities, the National Bank shall employ measures including those described in this Chapter.

Article 15. Open Market Operations
The National Bank may deal in financial markets in debt securities issued by the Republic, debt securities issued by it or any other debt securities by purchasing, holding and selling outright (spot and forward).

Article 16. Dealing in Foreign Exchange
The National Bank shall have the right to:
a. buy, sell, and deal in gold coins or bullion or other precious metals;
b. buy, sell and deal in foreign exchange, using for these purposes assets as described in Article 53 (1);
c. purchase and sell treasury bills and other securities issued or guaranteed by foreign governments and international public financial institutions;
d. determine the rate at which it will buy, sell or deal in foreign currencies.

Article 17. Required Reserves of Banks
(1) The National Bank shall prescribe to financial institutions, the maintenance of required reserves against deposit and other similar liabilities that may be specified for this purpose. Such reserves shall be maintained by way of cash holdings or by way of balances in current accounts by financial institutions with the National Bank.
(2) The National Bank shall prescribe the same reserve ratios for similar liabilities and shall prescribe the method of their computation; provided that any such prescription of, or increase in required reserves shall be effective only after not less than ten days' notice has been communicated to affected financial institutions.
(3) The National Bank shall remunerate the portion of required reserve balances that exceeds 5 per cent of the liabilities on which required reserves are based, or such greater amount as the National Bank may prescribe by regulation.
(4) The National Bank may impose on any financial institution that fails to maintain required reserves a charge at a rate equal with the basic rate per day on the deficiency plus 0.2 per cent multiplied with the deficiency for the entire period the deficiency continues. The charge shall be paid to the state budget in deduction from the account of the financial institution with the National Bank.

Article 18. Credit to banks
(1) The National Bank may grant to banks extensions of credit on such terms and conditions as it may from time to time determine, that are secured by:
a. securities issued by the Government forming part of the public issue and maturing within one year from the date of their acquisition by the National Bank;
b. securities issued by the National Bank;
c. bills of exchange or promissory notes drawn and made for bona fide commercial, industrial, or agricultural purposes, bearing two or more signatures, at least one of which must be that of a bank, and maturing within nine months from the date of their acquisition by the National Bank;
d. documents of title issued in respect of staple commodities or other goods duly insured against risk or loss damages at the level set by the National Bank;
e. deposits and other accounts with the National Bank or with any other financial institution acceptable to the National Bank of any assets that the National Bank is permitted to buy, sell or deal in.

(2) The extensions of credit described in paragraph (1) may take the form of advances, loans, or purchases, sales, discount or rediscount of negotiable instruments, either on a competitive or noncompetitive basis.
(3) The National Bank may grant extensions of credit that are not secured, but only in exceptional cases, when such extension of credit is needed in order to protect the integrity of the banking system.
(4) The National Bank shall fix and publicly announce from time to time:
a) the minimum rates for extensions of credit to banks;
b) the objective criteria by which banks will be eligible to bid competitively for credit.
(5) The National Bank may establish differential rates and ceilings for different classes of such transactions and maturities.

CHAPTER III
FINANCIAL PROVISIONS

Article 19. Capital

(1) The capital of the National Bank includes the statutory capital, reserve accounts constituted in accordance with the provisions of Article 66 and reserve accounts of undistributed profits.
(2) The statutory capital shall represent the sum of the authorized capital and of the general reserve fund. The authorized capital shall be subscribed and shall be held exclusively by the state; the capital shall not be transferable or subject to encumbrance.
(3) The statutory capital is dynamic and shall be created from the year's profit available for distribution and /or from the Government's contributions, until the capital reaches the value of 10% of total monetary liabilities of the National Bank and shall have the structure as follows:
a) 1/3 – authorized capital
b) 2/3 – general reserve fund
(4) None of the reductions in the monetary liabilities level, both during and at the end of the financial year, shall imply the reduction of the previously created statutory capital.
(5) The general reserve fund shall be exclusively used for covering registered losses in accordance with the results of the accounting period as at the end of the financial year.
(6) In the event that at the end of the financial year the balance of the general reserve fund is in debit, the Government, in the person of the Ministry of Finance, shall, within 60 days after the receipt of the external auditor's report on the financial statement of the National Bank, transfer to the National Bank, as a capital contribution, state securities bearing interest at market-related rates in such amounts as is necessary to cover the debit balance.

Article 20. Allocation of incomes and losses coverage

(1) The net income of the National Bank for each financial year shall be determined in accordance with the provisions of Article 66.
(2) The profit available for distribution shall represent the net income derived after allowing:
(a) for the deduction of all undistributed profits in the corresponding reserve accounts of undistributed profits;
(b) for the coverage of all losses unrealized from the sources of corresponding reserve accounts of undistributed profits until the balance thereof is equal to zero.
(3) Account reserves of undistributed profits shall be separately created for each source generating these profits and shall be used for covering the undistributed losses of further periods, generated by sources creating these reserves.
(4) In the event that the deduction of undistributed profits and /or coverage of undistributed losses provided for under para (2) letter a) and b) exceeds the net profit, this overrun shall be covered from the general reserve fund in accordance with Article 19 para (5).

(5) As at the end of the financial year, the profit available for distribution shall be allocated at the rate of 50% for the increase of the statutory capital within the limits provided for under Article 19 para (3).
(6) The balance of the profit available for distribution shall be transferred to the state budget within 15 days following the receipt of the external auditor's report on the financial statement of the National Bank."

Article 21. Annual Budget
(1) All expenditures of the National Bank shall be reported in the annual budget to be approved by the Council of Administration in accordance with a regulation coordinated with the Budget and Finance Committee of the Parliament.
(2) The legality and regularity of expenditure estimates of the National Bank shall be heard by the Court of Accounts. External audit of the Court of Accounts will be limited to the examination of the efficient operational decisions taken by the National Bank's management, excluding the ones related to items of expenditure related to monetary and foreign exchange policy of the National and foreign exchange reserves management.

CHAPTER IV
ORGANIZATION AND ADMINISTRATION

Article 22. Organization
The National Bank shall be formed of departments, divisions, services and other subdivisions and shall be managed by the Council of Administration.

Article 23. The Governor of the National Bank and Members of the Council of Administration
(1) The Council of Administration shall be composed of five members:
- Governor of the National Bank - Chairman of the Council;
- First Vice-Governor of the National Bank - Vice-Chairman of the Council;
- three vice-governors of the National Bank.
(2) The Governor of the National Bank shall be nominated by the Parliament at the proposal of the Chairman of the Parliament.
(3) The First Vice-Governor and the Vice-Governors of the National Bank shall be nominated by the Parliament at the proposal of the Governor of the National Bank.
(4) One candidate may be proposed to the Parliament for nomination, in case of rejection not more than two times.
(5) Candidates for membership on the Council of Administration may be citizens of the Republic of Moldova; they must be persons of recognized integrity and professional experience in monetary and financial matters, have ten years of, to whom no ground for removal under Article 27 applies.
(6) The term of each member of the Council of Administration shall be 7 years provided, that the completion dates of the terms of individual members of the Council as far as practicable shall be spread evenly over each seven year period. Members of the Council of Administration shall be eligible for reappointment, unless a ground for removal under Article 27 applies.
(7) Upon being taken on the staff and each consequent year, the members of the Council of Administration shall be obliged to enter, within law provisions, the declaration on incomes and ownership.
(8) Members of the Council of Administration of the National Bank of Moldova shall not be arrested, confined or sued on penal or contravention grounds unless there is a relevant request of the General Prosecutor.

Article 24. Responsibilities of the Governor

(1) The Governor shall be responsible for formulating monetary and foreign exchange policy initiatives for presentation to the Council of Administration and for execution of its decisions. The Governor shall represent the National Bank in its relations with external institutions.
(2) All powers that are not specifically reserved for the Council of Administrative shall be vested in the Governor. In the event that the Governor is absent or is otherwise unable to act, such powers shall be vested in the First Vice-Governor, or, in the event that the First Vice-Governor is absent, in one of the Vice-Governors. The Governor may delegate some of his powers to Department Chiefs of the National Bank.

Article 25. Functions of the Council of Administration
(1) The Council of Administration shall establish the operation of the National Bank.
(2) In carrying out its functions, the Council of Administration shall examine statements on the monetary and economic condition of the Republic. To that end, the Vice-Chairman of the Council shall be responsible for ensuring that the departments, divisions and sections shall periodically submit statements on:
a) the administration and operations of the National Bank;
b) the realization and conduct of the monetary policy;
c) the soundness of the financial system, including the banking system;
d) the condition of the financial and foreign exchange market;
e) any other statements, as the Council may deem necessary.

Article 26. Powers of the Council of Administration
The Council of Administration shall have the following powers:
a) to establish the monetary policy of the Republic, including the limits of interest rates on monetary policy instruments, extensions of credit by the National Bank, and the types and levels of reserves that banks are required to maintain with the National Bank;
b) to establish the foreign exchange policy of the Republic, including the arrangements for determining the foreign exchange value of the domestic currency;
c) to adopt all regulations of general application that are to be issued by the National Bank;
d) to approve all reports and recommendations that the National Bank is to make to the Government and to the Parliament;
e) to decide on the National Bank's participation in international organizations;
f) to determine the face value and design of banknotes and coins, and the conditions of any currency issuance and recall;
g) to approve, with the consent of at least of two-thirds of the Council of Administration members present, each of the National Bank's extensions of credit or the use of any other financial instruments, for the benefit of a bank or financial institution pursuant to Article 18 (3);
h) to decide on the issuance procedure of licenses, permissions, approvals provided in the Law on Financial Institutions no. 550-XIII of 21.07.95;
i) to examine, when required, the results of relevant controls at banks and exchange offices, to approve decisions on thereof;
j) to propose increases in the capital of the National Bank;
k) to approve the annual reports and financial statements of the National Bank;
l) to determine whether and in what amount and maturities to issue the National Bank's debt securities;
m) to determine the debt securities that shall be suitable for investment by the National Bank;
n) to approve the by-laws of the National Bank and to determine the policies applicable to the administration and operations of the National Bank;
o) to determine the structure of the National Bank;
p) to determine terms and conditions of employment of the National Bank employees;
r) to establish and dissolve branches and representation offices of the National Bank;

s) to determine the annual budget of the National Bank.

Article 27. Disqualification and Removal of Council Members
(1) The Governor and other members of the Council shall be removed from office following the proposal of the Chairman of the Parliament if they:
a) become ineligible to serve on the Council of Administration pursuant to paragraph (2);
b) have been convicted of a criminal offense;
c) have become insolvent or have been declared bankrupt and their debts have not been discharged;
d) have, on grounds of personal misconduct, been disqualified or suspended by a competent authority from practicing a profession.
(2) Members of the Council of Administration shall be removed from office following the proposal of the Governor if they:
a) have been absent from three or more successive meetings of the Council without good cause;
b) are unable to perform the functions of such office because of an infirmity of body or mind;
c) have engaged in serious misconduct in the office, substantially prejudicing the interests of the National Bank.
(3) The Governor shall be removed from office by the Parliament with the vote of two thirds of the total number of deputies. The members of the Council of Administration shall be removed from office by the Parliament with the simple majority of votes cast (50% +1) of the total number of deputies.

Article 28. Resignation of Council members
The members of the Council of Administration may resign from office on giving not less than three months notice to the Parliament.

Article 29. Subsequent Service
The members of the Council of Administration shall not serve another financial institution during a period of one year immediately following their departure from the National Bank.

Article 30. Vacancies on the Council of Administration
Any vacancy on the Council of Administration shall be filled by the appointment of new members pursuant to Article 23.

Article 31. Meetings of the Council of Administration
(1) The Governor, or in his absence, the First Vice Governor shall chair the meetings of the Council of Administration.
(2) The meetings of the Council of Administration shall be convened by the Governor not less frequently than once each calendar month. Meetings may also be convened at the written request of any three members of the Council.
(3) The meetings of the Council of Administration shall be convened by effectively communicating the time, venue and agenda of the meeting to all members of the Council of Administration at least five working days before the date set for the meeting, except that, in the event of an emergency, meetings of the Council of Administration may be so convened at shorter notice.
(4) Each member of the Council of Administration shall have one vote. A quorum at any meeting of the Council of Administration shall consist of the presence of more than half of the members of the Council of Administration then serving, including the presence of the Governor or the First Vice Governor.

(5) The proceedings of the meetings of the Council shall be confidential. The Council of Administration may decide to make the outcome of all or part of its deliberations public in accordance with the Law on Commercial Secret.
(6) Except as otherwise provided by this Law or the National Bank‘s By-laws, decisions of the Council of Administration shall be adopted by a simple majority of the votes cast by the members of the Council who are present at the meeting. Only members of the Council who are present in person shall have the right to vote. In the event of a tie, the chairman of the meeting shall have the deciding vote.
(7) Decisions of the Council shall be issued over the signature of the Chairman of the Meeting.
(8) No decision of the Council shall be invalidated merely by reason of the existence of a vacancy or vacancies on the Council.
(9) The decisions of the Council of Administration shall remain valid notwithstanding that some defect in the Council member’s appointment, eligibility, or qualification be afterwards discovered.
(10) There shall be minutes of each Council meeting signed by the chairman of the meeting and by the Secretary of the Council.

Article 32. Personal interests of the Council members
(1) Upon joining the Council of Administration and annually thereafter, members of the Council of Administration shall disclose to the Council in full their significant pecuniary interests that they or members of their household may have, directly or indirectly; such disclosures shall comply with guidelines adopted by the Council.
(2) Whenever any matter related to such interests comes up for discussion by the Council, the member concerned shall disclose his or her interest at the beginning of the discussion and shall not participate in the discussion and decision on such matter; however, their presence shall be counted for the purpose of constituting a quorum.

Article 33. Internal Audit
(1) The National Bank shall have an internal Audit Department, composed of persons trained and qualified in accounting , finance and information technologies and that shall be headed by the Comptroller General.
(2) The Comptroller General of the National Bank shall be appointed for a term of five years by the Council of Administration. The candidate shall be a citizen of the Republic of Moldova to whom none of the disabilities described in Article 27 applies. He shall be eligible for reappointment.
(3) The Comptroller General shall be removed from office only by a decision of the Council of Administration that is supported by one or more of the disabilities described in Article 27. The Comptroller General may resign from office on giving not less than three months‘ notice to the Governor of the National Bank.
(4) The Comptroller General and auditors of the Audit Department shall have the duty:
a) to establish procedures of internal audit;
b) to examine and evaluate activity processes, including the quality of control and risk management methods, used information systems, other subjects, with the view to ensuring due observance of effective legislative provisions and internal norms;
c) to examine the correctness of account registers and procedures, to verify financial statements and relevant documents, to issue relevant confirmations;
d) to submit to the Council of Administration relevant reports and recommendations resulted from the audit activity.

Article 34. Staff of the National Bank
(1) The Council of Administration shall adopt the Regulation on the staff of the National Bank.

(2) The Governor shall appoint and terminate the appointment of the staff of the National Bank in accordance with the general terms and conditions of employment prescribed by the Council of Administration.
(3) The Council of Administration shall decide upon the remuneration of the staff of the National Bank in accordance with the legislation.
(4) No member of the staff of the National Bank shall simultaneously have other employment and shall not accept any remuneration from natural or legal persons (except honours for publications and payments for lecturing at educational institutions).
(5) Any credit, other than from the National Bank, received by National Bank staff shall be reported by the staff member to the Audit Department, which shall maintain a record thereof. The Council of Administration may place limits on credit received from financial institutions by National Bank staff.

Article 35. Conflicts of interest
No member of the Council of Administration or staff of the National Bank shall act as a delegate of any commercial, financial or other business interest, or otherwise put himself in a position where his personal interest conflicts with his duties to the National Bank.

Article 36. Secrecy
(1) No person who serves or has served as a member of the Council of Administration or staff, shall, in a manner unauthorized by Law:
a) permit access to, disclose, or publicize non-public material information which he or she obtained in the performance of his or her National Bank duties;
b) use such information, or allow such information to be used, for personal gain.
(2) Persons described in paragraph (1) may disclose non-public material information outside the National Bank but only if:
a) in accordance with the express or implied consent of the person about whom the information relates;
b) in performance of a duty to the public to make disclosure, including on the order of a court or other person of competent authority if provided by the Law;
c) to the external auditors;
d) to the demand of the Court of Accounts;
e) to foreign financial institution supervisory authorities;
f) where the interest of the National Bank itself in legal proceedings requires disclosure.

CHAPTER V
FINANCIAL RELATIONS WITH GOVERNMENTAL BODIES

Article 37. Banker and Fiscal Agent
(1) The National Bank shall act as banker and fiscal agent of the Republic and its agencies and instrumentalities. No transaction carried out by the National Bank shall serve to extend financial assistance to or for the benefit of the Republic or its agencies and instrumentalities.
(2) The National Bank shall have the duty to render advice to the Government on all significant monetary and financial matters that are within its fields of competence and the Government shall have the duty to render advice to the National Bank on matters that are within its fields of competence.
(3) Each year, the National Bank shall be consulted by the Government on the occasion of the preparation of the state budget and shall submit a written report on financial and economic matters pertinent thereto.

Article 38. Consultation and Reporting on Public Sector Borrowing

Each year, the Government shall consult the National Bank on its objectives. For domestic and external public sector borrowing during the next financial year, including the amounts to be contracted and the terms and conditions of such borrowings. All borrowing transactions by the Republic and its agencies and instrumentalities shall be reported to the National Bank in such detail as the National Bank may reasonably request by regulation. All such borrowing shall be subject to the legislation.

Article 39. Depository and Cashier

(1) The National Bank shall accept deposits from the Ministry of Finance and other agencies and instrumentalities of the Republic on the basis of an approach of the Government. As depository, the National Bank shall receive and disburse moneys and keep account thereof and provide other financial services related thereto. The National Bank shall pay to the limits of the deposited amounts against orders to pay from such accounts.

(2) The National Bank may authorize banks to receive such deposits in compliance with conditions that may be mutually agreed.

(3) Fees, taxes and other compulsory payments by tax payers to state budget accounts and special accounts of serving banks shall be transferred to the treasury sole account (CUT) in the National Bank of Moldova or the relevant accounts of the administrative-territorial units' budgets not later than the end of the day following the day when amounts were paid. Banks shall pay a fine of 5% of delayed transferred amounts for each day of delay.

Article 40. Fiscal Agency Function

The National Bank shall, on such terms and conditions as it shall agree upon with the Government, act as fiscal agent of the Republic in servicing dematerialized state securities in the following matters:

a) organization and marketing of state securities in the primary market on the basis of relevant agreement concluded with the Ministry of Finance;

b) input of entries in the Book Entry System of securities of the National Bank;

c) marketing of debt securities issued by the Republic and its instrumentalities;

d) payment of principal of, and interest and other charges on, such securities;

e) such other matters as shall be consistent with the objectives and the basic responsibilities of the National Bank.

Article 41. Interdiction of Credit to the Republic

The National Bank shall not extend credit and warranties in any form to the Republic or its instrumentalities, including through acquisition in the primary market of securities issued by the Republic.

Article 42. Purchases of Government Securities

Nothing in this Chapter shall prohibit the National Bank from purchasing and selling debt securities issued by the Republic:

a) with the condition that the National Bank shall purchase only through open market operations securities maturing within 180 days that have been publicly issued;

b) in connection with extensions of credit to banks.

Article 43. Information to be Provided to the National Bank

The National Bank shall receive from the Republic and its instrumentalities all such economic and financial information and documents as the National Bank shall reasonably request for the carrying out of its functions.

CHAPTER VI

RELATIONS WITH FINANCIAL INSTITUTIONS

Article 44. Supervision and Regulation of Financial Institutions activity

The National Bank is exclusively responsible for the licensing, supervision, and regulation of financial institutions activity. To that end, the National Bank shall be empowered:

a) to issue necessary regulations and to take actions in order to execute its powers and duties under this Law, through proper licensing and supervision standards and to establish the procedure of application of regulations and actions mentioned above;

b) to cause an inspection to be made, at its discretion, by any of its officers or by any other qualified person appointed to that effect, of any financial institution and to examine its books, documents and accounts, the conditions of its affairs and whether it is in compliance with the Law and regulations;

c) to require any officer or employee of the financial institution to furnish to the National Bank such information as requested for the purpose of enabling the National Bank to supervise and regulate financial institutions;

d) to cause any financial institution to take remedial actions or to enforce penalties provided in the Law on Financial Institutions if the financial institution or its employees:

- have violated the provision of the Law on Financial Institutions or a regulation of the National Bank; - have violated a fiduciary duty;
- have begun the unsafe or unsound operations of the financial institution or any of its subsidiaries.

Article 45. Depository Services

The National Bank may open accounts for and accept deposits from banks doing business in the Republic under such conditions, including the payment of interest and the establishment of charges as it may from time to time determine.

Article 46. Prudential Regulations

Each financial institution shall comply with the requirement of the regulations of the National Bank, concerning:

a) balance sheet accounts, off - balance - sheet commitments, and income and expense statement items with respect to ratios among accounts;

b) restrictions or conditions concerning specific types or forms of credit or investments that exceed an established amount; forms of commitments of a risk-bearing nature; matching as to maturity of assets and liabilities and off-balance – sheet items; open foreign currency, swap, option or similar positions; or access to the payments system.

Article 47. Submission of Information

(1) Financial Institutions are obliged to furnish to the National Bank any information and data as the National Bank may require for the discharge of its functions and responsibilities.

(2) The National Bank may publish such information and data in whole or in part in aggregate form for classes of financial institutions determined in accordance with the nature of their business.

Article 48. Clearing and Inter bank Settlements

The National Bank may assist banks in organizing facilities for the clearing and settlement of inter bank payments, including payments by check and other payment instruments, and may establish such procedures and issue such regulations relating thereto as it shall deem appropriate.

Article 49. Information Network for Banks

The National Bank may establish and maintain an information network for necessities of the banking system.

CHAPTER VII
FOREIGN EXCHANGE REGULATION AND OPERATIONS

Article 50. Foreign Exchange Controls

The National Bank acts as a state agent in the application of legislation on foreign exchange controls.

Reports, information on control, and other information required by the provisions of any such law may be transmitted through the National Bank.

Article 51. Foreign Exchange Regulation

The National Bank shall have the power (pursuant to foreign exchange regulation), to:

a) issue normative acts on regulation (including authorization and reporting) of foreign exchange transactions of individuals and legal entities, including financial institutions and Government agencies;

b) license, revoke the licenses of, supervise and regulate foreign exchange dealers, including banks;

c) set limits on foreign exchange positions of foreign exchange dealers, including banks;

d) establish the method for determining the value of Moldovan Leu in relation to other currencies.

Article 52. Reporting of Foreign Exchange Transactions

Licensed foreign exchange dealers, including banks, are obliged to report periodically to the National Bank on their operations, including their open foreign exchange positions, on a currency by- currency basis, the National Bank shall prescribe the reporting forms and supporting documents that must be submitted.

Article 53. International Reserve

(1) The National Bank holds on its balance sheet the international reserves of the state, which consist of the following assets:

a) gold;

b) foreign exchange in the form of notes and coins or bank balances held abroad in foreign currencies;

c) any other internationally recognized reserve assets;

d) bills of exchange payable in foreign currencies;

e) promissory notes issued and/or guaranteed by, as well as forward purchase agreements concluded with or guaranteed by, foreign states, their central banks or public international financial organizations, expressed and payable in foreign, currencies.

(2) The primary objectives in selecting reserve assets shall be safety of principal and liquidity.

(3) The National Bank shall use its best endeavours to maintain the international reserve at the level which, in the National Bank's opinion, shall be adequate for the execution of the monetary and foreign exchange policies of the state.

(4) If the international reserve has declined or, in the opinion of the National Bank, is in danger of declining to such an extent as to jeopardize the execution of the monetary or foreign exchange policies or achievement of the international transactions in time, the National Bank shall submit to the Parliament and Government a report on the international reserve position and the causes which have led or may lead to such a decline. The report shall contain recommendations to remedy the situation.

(5) The National Bank shall make further such reports and recommendations, until, in its opinion, the situation has been rectified.

Article 55. International Clearing and Payments Agreements

The National Bank may, either for its own account or for the account and by order of the State, enter into clearing and payments agreements or any other contracts for the same purpose with public and private central clearing institutions domiciled abroad.

CHAPTER VIII
CURRENCY

Article 56. Monetary Unit
(1) The monetary unit of the Republic shall be the leu, consisting of one hundred bani.
(2) The leu shall be the only legal tender within the territory of the Republic of Moldova.

Article 57. Authority to issue banknotes and coins
The National Bank shall have the exclusive right to issue banknotes and coins as legal tender within the territory of the Republic.

Article 58. Legal tender
Banknotes and coins issued as legal tender by the National Bank and not withdrawn from circulation shall be accepted, at their face value, in payment of all public and private debts within the territory of the Republic of Moldova.

Article 59. Currency features
The National Bank shall determine by regulation the face value, measures, weights, designs, and other features of the banknotes and coins that are legal tender in the Republic of Moldova.

Article 60. Currency production and safekeeping
The National Bank shall organize the printing of banknotes and the minting of coins and shall take measures for the safekeeping of unused banknotes and coins, for the withdrawal and destruction of the retired banknotes and coins.

Article 61. Currency exchange
(1) The National Bank may exchange the national currency that is legal tender in the Republic of Moldova.
(2) Unfit banknotes and coins shall be withdrawn, destroyed, and replaced with banknotes and coins by the National Bank.
(3) The National Bank may decline to exchange banknotes and coins, if their designs do not correspond to the set standards.

Article 62. Currency provision
The National Bank shall ensure the regular supply of banknotes and coins, in order to meet the currency requirements of the national economy.

Article 63. Accounting of currency issued
The aggregate amount of circulating banknotes and coins shall be noted in the accounts of the National Bank as a liability of the National Bank and such liability shall not include banknotes and coins in the currency reserve inventory.

Article 64. Currency withdrawal from circulation
(1) On the decision of the Council of Administration, the National Bank may withdraw from circulation any banknotes or coins that issued by, and issue in exchange therefore other banknotes and coins in equivalent amounts.
(2) At the end of the exchange period referred to in paragraph 1, banknotes and coins called in for exchange shall cease to be legal tender.

CHAPTER IX
FINANCIAL STATEMENTS, AUDIT, AND REPORTS

Article 65. Financial year

The financial year of the National Bank shall begin with the first of January and end on the 31 of December.

Article 66. Accounting Procedures

The National Bank shall maintain at all times accounts and records adequate to reflect, in accordance with sound internationally accepted accounting practices, its operations and financial condition.

Article 67. Annual financial statement

The National Bank shall prepare financial statements at the end of each financial year which shall include a balance sheet, a profit and loss statement, and related statements.

Article 68. External audit of accounts

The annual financial statements, accounts and records of the National Bank shall be subject to annual external audit in accordance with international standards on auditing conducted by a reputable independent external audit firm with recognized experience in the auditing of central banks and major international financial institutions selected by the National Bank on tender basis. The external auditor Report shall be published together with the annual financial statements of the National Bank. No external audit firm shall be appointed consecutively for a cumulative period exceeding five years.

Article 69. Transmittal and publication of statements and reports

(1) The National Bank shall, within four months after the close of each of its financial years, submit to the Parliament:
a) a copy of its financial statements certified by external auditors;
b) a report of its operations and affairs during that year;
c) a report on the situation of the state economy.
(2) The National Bank shall submit to the Parliament and the Government, a summary financial statement for the previous month, by the 25th day of each following month.
(3) The National Bank shall publish the financial statements and reports referred to in paragraphs (1)and (2), as well as any other financial and economic reports and studies.

CHAPTER X
MISCELLANEOUS PROVISIONS

Article 70. Preferential right

(1) The National Bank shall have the preferential and unconditional right to satisfy each of its claims that becomes due and payable from any banking accounts or from other assets that it holds:
a) on its own balance;
b) on the balance of the debtor concerned;
c) as collateral to secure its claims;
d) otherwise.
(2) The National Bank shall exercise the right mentioned above by withdrawing the debts from bank accounts and selling other assets against a reasonable price, covering the claims from the net revenue received from sale. Exercising this right in conformity with the present article shall not require any justice action. No competition between claims, including between the claims based on the property right, shall not impede to exercise this preferential right, except cases when there are

certain proofs that the staff of the National Bank knew or should have known that at the time when these assets, except for the monetary assets, came into possession of the National Bank the assets did not belong to the debtor concerned.

Article 71. Prohibited Activities

(1) Except for the cases provided by this Law, the National Bank shall not:

a) grant any financial assistance, whether in the form of a direct or indirect loan, or by purchasing a loan, a loan participation or utilization of any instrument of indebtedness, assumption of a debt or in any other form;

b) engage in commerce, purchase the shares of commercial companies including the shares of financial institutions, or acquisition of an ownership interest in any financial, commercial, agricultural, industrial undertaking.

(2) Notwithstanding the provisions of paragraph (1), the National Bank may:

a) invest not more than 20 per cent from its capital and reserve in the institutions engaged to offer only to the National Bank and to other financial institutions services on: appraising collateral administration and storage, printing of the financial instruments, clearing operations, courier services and property sale;

b) invest its financial resources in liquid debt securities issued by reliable institutions;

c) acquire, in the course of debts due to it, any rights referred to in paragraph (1) (b) above; provided that all such rights so acquired shall be disposed of at the earliest suitable opportunity;

e) grant credit to any of its employees on the basis of the regulation approved by Administrative Council.

Article 72. Collection of statistical information

(1) The National Bank shall collect the primary statistical information that is required for the achievement of its objectives and carrying out of its tasks, from the competent authorities of the state, financial institutions and from other legal entities and individuals.

(2) The National Bank shall contribute to the harmonization of the rules and practices governing the collection, compilation and distribution of statistics within its fields of competence.

(3) Notwithstanding Article 5 (1) (2) of the Law on Commercial Secrets, the National Bank shall define by regulation the types of primary statistical information so required and the form in which such information is to be provided, the persons that are to provide such information to the National Bank, and the confidentiality regime that shall apply to statistical information provided to the National Bank.

(4) In fulfilling its responsibilities under Article 8 (1), the National Bank may publish information and data that it collects, in whole or in part, in aggregate form.

(5) Provisions of this article shall also refer to the working out and publishing of state balance of payments.

Article 74. Standards of good administration

(1) The National Bank shall use the powers given it under this Law equitably and uniformly and in accordance with sound administrative practices. The Bank shall not use its powers to serve an objective for which the powers was not given.

(2) The decisions of the National Bank taken pursuant to this Law shall be impartial and shall be motivated only by objective and rational considerations they shall be executed with fairness and restraint.

Article 75. Sanctions

The National Bank, in case of exposure of violation of Law or of its normative acts, shall take the following measures:

a) shall make a written notice;

b) shall conclude an arrangement with the institution violating the legislation, providing for measures on elimination of violations;
c) shall incontestably impose and charge penalties three times the amount of the received income or caused prejudice, but it should be not lower than the amount of the average monthly salary multiplied by the number of the days when the violation continued, plus the cost of expenses incurred by the National Bank in the process of examination of the violations, relevant for the benefit of third person;
d) shall temporarily suspend the activity, partially or totally;
e) shall withdraw the license.

Article 76. Dispute Settlement
The disputes arising between the National Bank and other subjects are examined by a competent court.

CHAPTER XI
FINAL AND TRANSITORY PROVISIONS

Article 76/1
(1) The Government and the National Bank shall, on an annual basis and for the relevant budgetary year, agree upon the balance of the State debt previously contracted from the National Bank.
(2) In derogation of provisions of Article 41 of this Law, the Council of Administration shall approve the re-conclusion of loans in Moldovan Lei previously extended to the Republic and the approval of reissuance of state securities issued in result of conversion of previously contracted loans.
(3) Re-concluded loans shall be warranted with negotiable debt securities that bear interest at market related rates that have maturities corresponding to the maturities of loans that they certificate and that are issued and delivered by the Republic to the National Bank. For each re-concluded loan and for each trance of re-issued state securities, there must be an agreement concluded between the Government in the name of the Ministry of Finance and the National Bank. The agreement shall specify the principal amount of the reconcluded loan, its maturity, interest and other charges.

Article 77
(1) The hereby law shall enter into force from the date of publication.
(2) As on the date of coming into force of the hereby law the following are abrogated:
- The law No 599-XII dated June 11, 1991 on State National Bank of Moldova (the National Bank of Moldova);
- Parliament decree No 600-XII dated June 11, 1991 on the implementation of the Republic of Moldova Law on the State National Bank of Moldova;
- Parliament decree No 667-XII dated July 24, 1991 on approval of the Statute of the National Bank of Moldova;
- Law No 884-XII dated January 23, 1992 on the introduction of a modification in the Law on the State National Bank of Moldova;
- Parliament Decree No 976-XII dated March 19, 1992, on the assignment of Mr. Leonid Talmaci in the position of the Governor of the State National Bank of Moldova;
- Article 4 (1) from the Parliament decree No 1201-XII dated November 19, 1992 on the solution of the socio-economic problems exposed in the Prime-minister‘s report;
- Law No 1202-XII dated November 19, 1992 on modification of the Law on the State National Bank of Moldova (the National Bank of Moldova);
- Law No 1234-XII from December 18, 1992 for the modification and completion of the Law on the State National Bank of Moldova;

- Parliament decree No 1235-XII dated December 15, 1992, on modification of the Article 19 from the State National Bank of Moldova Statute;
- Law No 125-XIII dated May 27, 1994 for the modification and completion of the Law on the State National Bank of Moldova (the National Bank of Moldova);
- Parliament decree No 125a-XIII dated May 27, 1994 or implementation of the Law for the modification and completion of the Law on the State National Bank of Moldova (the National Bank of Moldova);
- Parliament decree No 128a-XIII dated May 27, 1994 for the modification of the paragraph 5 from the Parliament decree on implementation of the Law on the State National Bank of Moldova;
- Parliament decree No 281-XIII dated November 11, 1994 on modification and completion of the State National Bank of Moldova Statute (the National Bank of Moldova).

(3) It is suggested to the President of the Republic of Moldova to abrogate the Decree dated June 4, 1991 on the National Bank of Moldova.

[Para 4 Art. 77 abrogated following law. 378 XIV dated 30.04.99]

[The Article 77 Para (4) is declared non-constitutional following the Decision of the Constitutional
Court no. 9 dated 18.02.99]

Chairman of the Parliament
Petru LUCINSCHI
Chisinau, July 21, 1995
No 548-XIII

- **Law No 192-XVI on National Commission of Financial Markets as of 12.11.1998**

Chapter 1
GENERAL PROVISIONS

Article 1.
(1) The National Commission on the Financial Market (here-and-after referred to as the National Commission) is an independent body of central public administration reporting to the Parliament, which regulates and authorizes the activity of professional participants to the non-banking financial market and supervises observance of legislation by them. It is invested with the power to make decisions, grant benefits, interfere, monitor, put under a ban, and impose administrative and disciplinary penalties pursuant to the legislation.
(2) The National Commission is a legal person, has a stamp with the State Emblem and its name. Authority of the National Commission is in force throughout the Republic of Moldova.
(3) The National Commission has its situ in the Municipality of Chisinau and if necessary is entitled to open its local representation offices or agencies displaying their performances on the basis of regulations approved by the latter.

Article 2.
(1) The National Commission undertakes its activity pursuant to the requirements of the Constitution, present law, other normative acts, stipulations of its regulation and is independent when implementing its plenary powers.
(2) The National Commission presents to the President of the Republic of Moldova, to the Parliament and Government as well as to the public the annual report on its activity and operation of the financial market.

Article 3.
The National Commission pursues its core objective, which is confined to enhancing stability, transparency, security and efficiency of the non-banking financial sector, to reduce systemic risks and to prevent manipulation on non-banking financial market with the scope of protecting the rights of participants to non-banking financial market.

Article 4
(1) The authority of the National Commission refers to the participants (subjects) of the non-banking financial market: the issuers of securities, investors, insurance institutions, self-regulatory organizations on the securities market, National Bureau of Motor Insurer of the Republic of Moldova, members of lending and savings associations, and clients of micro-financing organizations and professional participants of non-banking financial market.
(2) Professional participants of the non-banking financial market (here-and-after referred to as the professional participants) are the professional participants of the securities market, professional participants of insurance market, non-state pension funds, lending and savings associations, micro-financing organizations, mortgage organizations and credit bureaus.

(3) Attributions of the National Commission regarding regulation, authorization and supervision of professional participants do not interfere with the attributions of the National Bank of Moldova.

Article 5.
(1) National Commission has the right to cooperate with the corresponding specialized international organizations and be their member.
(2) National Commission has the right to provide assistance and to exchange information with the non-banking financial market and its participants, with specialized international organizations and similar authorities from other states.

Article 6.
(1) The National Commission is financed integrally of the following:
a) charges of up to 0.5 percent of the value of securities issued, excepting the issue of bonds for which it shall be applied charges of up to 0.1 percent from the amount of the issue;
b) charges of up to 0.1 percent of the value of securities issued with the scope of consolidation, stock-splitting, denomination or conversion of prior issued securities;
c) charges for buying-selling transactions conducted at the stock exchange:
- charges of up to 0.1 percent for transactions in the interactive market;
- charges of up to 0.3 percent for transactions on the direct market;

d) charges of up to 1 percent of the value of civic transactions with securities conducted on the over-the-counter market;
e) charges of up to 1 percent of the value of civic transactions conducted with securities other than those specified under paragraph (2) c) and d);
f) fees for approval of the insurer portfolio transfer of up to 1 percent from the amount of the transfer;
g) fees for appraisal of specialists in view of activities displayed in the non-banking financial market but not more than 400 lei;
h) regulatory fees paid by the professional participants of the financial market as follows:
- Fees paid to investments managers worth up to 0.1 percent of the average annual value of net assets transferred into the management of investment manager;
- Fees paid by the insurance institutions worth up to 0.5 percent of annual gross subscribed premiums;
- Fees paid by the insurance brokers worth up to 0.5 percent of the commissions received;
- Fees paid by the non-state pension funds, lending and savings associations and micro-financing organizations worth up to 0.5 percent of the average annual value of assets.

i) charges for issuing licenses pursuant to the legislation;
j) proceeds from issuing special periodical publications of the National Commission;
k)sanctions for administrative contraventions applied pursuant to the legislation;
l) sources originating from donations or any other legal sources.
(2) The specific size of fees and charges within the limits specified in paragraph (1) are established in the annual budget of the National Commission. The budget of the National Commission shall be approved by the decision of the Parliament, after its examination

and positive approval by the specialized parliamentary commission. National Commission presents the draft of its budget for the next financial year until November, 1.
(3) Regulatory fees and charges shall be transferred to the treasury account of the National Commission within the terms established by the normative acts issued by the National Commission. Incomplete or delayed transfer to the account of the National Commission implies paying penalty worth 0.05 percent of unsettled amount for every day of delay.
(4) The management and use of financial resources accumulated on the account represents the exclusive competence of the National Commission. Balance of resources accumulated and unused in the course of financial year is carried forward to the next financial year and remains on the account of the National Commission.
(5) The wealth and income of the National Commission are exempt from fees and taxes.
(6) The structure and staff of the National Commission are approved by the Council of Administration. Salaries of the members of Council of administration and staff of the National Commission are paid in accordance with the Law on wages nr.847-XV from 14 february 2002 and the conditions approved by the decision of the Parliament.
(7) Control over the economic and financial activity displayed by the National Commission is done by the Court of Accounts.

Article 7.
(1) Within the process of executing its attributions, the National Commission cooperates with public authorities in order to fulfill its objectives and to protect the rights of investors and the public.
(2) The Government, the National Bank of Moldova, ministries and departments, other bodies of public administration shall coordinate with the National Commission the drafts of the normative acts, related to the object and subject of the present law.

Chapter II
COMPETENCIES AND RIGHTS OF THE NATIONAL COMMISSION

Article 8.
(1) With the scope of implementing its objectives the National Commission enjoys the following competences:
a) work out and, in common with the Government approves the strategy for development of the non-banking financial market;
b) exercises legal prerogatives with regard to regulation and supervision of the non-banking financial market by adoption of decisions and disposing of executory measures in dealing with the professional participants of the non-banking financial market, as well as ensures upon solicitation or ex-officio official interpretation of its legal norms;
c) issues, recalls, suspends and renewals licenses and authorizations held by the professional participants and grants authorizations for their reorganizations pursuant to the legislation;
d) issues to the associations of professional participants the status of self-regulatory organization and delegates, pursuant to the effective legislation, one or more competencies from its own package;

e) establishes mandatory requirements vis-à-vis professional participants of the financial market in regard to qualification, functioning and financial efficiency, including requirements vis-à-vis the size its own regulatory capital, financial prudence norms, creation of guarantee and investments protection funds;
f) ensures ongoing monitoring of the financial situation as well as compliance of the subjects of financial supervision with the activity requirements prescribed by the legislation; issues orders to carry out control over the activity displayed by the latter;
g) establishes requirements vis-à-vis avis co-owners/significant shareholders as well as persons vested with the responsibility representing professional participants of the financial market; establishes requirements of qualification of specialists representing professional participants;
h) establishes routine, form and contents and rules for maintaining the internal register by the professional participants of the financial market, including requirements on maintaining register of securities holders and rules of keeping such;
i) works out and jointly with the Ministry of Finance approves standards and rules of specialized accounting and reporting to be followed by the professional participants of the financial market, issuers and self-governed organizations;
j) creates and maintains informational network required for conducting supervision over the professional participants of the financial market as well as public information network with regard to the issuers, license holders and functioning of the financial market; offers information to public on its activity as well as on the development of the non-banking financial market;
k) establishes the way of registering, registers public and tender offers regarding securities, as well as the results of their execution;
l) establishes the way of placement and circulation of foreign securities on the securities market of the Republic of Moldova;
m) maintains state register of securities, register of the professional participants of the securities market, register of licenses issued for displaying professional activity in the securities market as well as certificates of qualification to conduct operations with securities, state register of insurers (reinsurers), insurance or/and reinsurance brokers, as well as other registers in accordance with legislation;
n) jointly with the National Agency for Competition Protection exercises control over the observance of antimonopoly legislation in the non-banking financial market;
o) registers issues of securities of the Moldovan issuers and issues permits to the issuers for circulation of securities externally;
p) publishes on monthly basis prices on securities circulating outside the Stock Exchange, determins periodical publications in which the professional participants and issuers of securities are obliged to publish and disclose information in compliance with the effective legislation;
q) issues approvals of acquiring qualified participation in the charter capital of the insurers (reassurers), approvals on opening branches and representation offices of the insurers (reassurers) both in the territory of the Republic of Moldova and abroad;
r) supervises activity displayed by the National Bureau of Vehicles Insurance in the Republic of Moldova;
s) establishes procedure of record keeping of insurance contracts (insurance policies) by the insurers and approves transfer of ensurers portfolio;

t) use other competencies in compliance with the legislation governing activity displayed by the participants of the financial market, the present law and other legislative acts.

Article 9.

(1) The National Commission has the following rights:

a) qualify securities (determine their types) pursuant to the legislation of securities;

b) in cases, stipulated by the legislation to suspend the issuance of securities or cancel the respective issue of securities;

c) impose, in accordance with legislation, restrictions on the activity of financial market participants, including such as suspending bank operations on their accounts;

d) expedite instructions to the financial market participants for mandatory execution, including such on holding general shareholders meetings, require from the participants of the financial market presentation of accounting and other required documents as well as verbal and written explanations;

e) following the established periodicity to request and examine reports on the activity displayed by the professional participants in the financial market;

f) establish for the professional participants of the financial market mandatory size of equity to limit systemic risk, including restrictions on diversification of investment portfolio of the professional participants of financial market into different financial instruments;

g) appoint independent registrar; the issuer, that has violated the provision of maintaining the register of securities holders is obliged to sign with the registrar a contract on maintaining such;

h) suspend placement of securities and their circulation at the Stock Exchange and at the secondary market, clearing and settlement of transactions with the scope of protecting the interests of investors and public and in case of violation of the provisions set forth by the law of securities;

i) suspend any activity at the financial market, which contradicts to the effective legislation as well as such activity that is not provided for by the legislation;

j) apply legal sanctions in regard to natural persons – participants of the financial market in case of violation by the latter of the effective legislation;

k) examine materials on administrative contraventions in the field of financial market and apply administrative penalties following procedure established by the law;

l) launch with the judiciary instance actions on the matters referred to its competencies, including through invalidation of transactions made with securities;

m) establish requirements on protection of materialized securities forms and through cooperation with the respective authorities establish control over the observance of these requirements;

n) monitor the circulation of securities in the country;

o) pursuant to the legislation on securities, qualify the activity of securities market participants as manipulations in the securities market;

p) apply measures provided for by the legislation on financial recovery, reorganization or if necessary, on insolvency of the insurers (reassurers) and insurance/reassurance brokers;

q) with the scope of implementing its competencies, it has the right to create work groups, including interministerial;

r) use other rights arising from the legislation governing activity displayed by the participants of the financial market, the present law, other legislative acts and Regulation issued by the National Commission.
(2) With the scope of ensuring transparency and disclosure by all the participants of the securities market information concerning their financial activity as well as events and actions affecting such activity and with the scope of informing shareholders on the general meetings, the National Commission shall found its specialized periodical publications.

Chapter III
ORGANIZATION AND MANAGEMENT OF THE NATIONAL COMMISSION

Article 10.
(1) The National Commission is managed by the Administrative Council.
(2) The Administrative Council is a collegial body composed of five members, including chairman and deputy chairman of the National Commission.
(3) Members of the Administrative Council and employees of the National Commission are civil servants.

Article 11.
All members of the Administrative Council are appointed by the Parliament according to the proposal of the Speaker of the Parliament and pursuant to prior positive consent of the respective parliamentary commission. The Chairman of the Administrative council is appointed for a period of 4 (four) years, Deputy – 3 (three) years, one member – 3 (three) years and other two members - 2 (two) years. Each members of the Administrative Council has the right to be reelected for two consecutive terms.

Article 12.
(1) Appointed as members of the Administrative Council could be citizens of the Republic of Moldova, having experience record in finance, economy or banking of at least 10 (ten) years, good civic and professional reputation and having no incompatibilities whatsoever with such provisions as set forth by Article 27 paragraph (3)

Article 13.
(1) Appointment of the members of the Administrative Council is made with due written consent of the candidates.
(2) If a candidate to the Administrative Council is a member of a party or any other social-political organization, he should quit his membership with the party or any other social-political organization.

Article 14.
The plenary powers of the member of the Administrative Council are suspended in cases as follows:
a) expiry of the term of mandate;
b) revoking of a member by the Parliament at the suggestion of its Chairman. Revoking could be also initiated by the Chairman of the National Commission;

c) resignation;
d) death.

Article 15.
(1) The Parliament proceeds to revoking members of the Administrative Council in cases as follows:
a) if as a result of inadequate exercising of their competencies, actions or failure to act, committed were grave consequences to the financial market inflicting substantial prejudices to the clients and investors;
b) if they have record of prior court verdict that was not lifted;
c) if they become negligible towards emergence of certain incompatibilities with the provisions set forth by Article 27 paragraph (3);
d) if they fail to exercise their competencies due to physical or mental incapacity proven by medical examination certificate.
(2) The members of the Administrative Council are revoked by the simple majority of votes (50%+1 vote) from the total number of deputies of the Parliament.
(3) Members of the Administrative Council whose mandates have expired shall remain in the office until the appointment of their successors.

Article 16.
Affiliated with the National Commission could be an advisory body called the Board of Experts. The National Commission is entitled to establish independently the procedure of constituting, composition and competencies of this body.

Article 17.
The National Commission has the right to attract scientists and practice-specialists for conducting consultations, audit and examinations, paying their services, pursuant to the legislation;

Chapter IV
DECISIONS OF THE NATIONAL COMMISSION AND PROCEDURE OF THEIR APPROVAL

Article 18.
(1) The Decisions of the National Commission are made in the course of the sittings of the Administrative Council, which could be ordinary or extraordinary. Minutes of the sittings are signed by the Chairman of the Commission. Ordinary sittings are called when necessary, but no less than two times a month. Extraordinary meetings are called at the initiative of the Chairman or of at least two members of the Administrative Council.
(2) The sittings of the Administrative Council could be public or closed. Closed sittings are held when there is a danger to cause damages to the financial market or its members. Decision on holding closed sitting is made by voting.

Article 19.

(1) The sittings of the Administrative Council are considered deliberative when at least 3 (three) members are taking part and they are managed by the Chairman, and in its absence by the Deputy.
(2) The decisions of the National Commission are approved by the majority of voting present at the sitting of the Administrative Council. In the event of equal votes, the vote of the Chairman or, in his absence, of his Deputy is considered the casting vote.
(3) Members of the National Commission have the right to express special opinion on specific questions and register it in the Minutes of the respective sitting.

Article 20.
(1) The National Commission makes decisions in form of resolution or decrees, which shall be signed by the Chairman or, in his absence, by his Deputy.
(2) The Administrative Council could deliberate and take decisions during its sittings by making respective entries into the Minutes in regard to any other issues stipulated in its regulation, within the limits that, pursuant to the provisions of the present law, do not require adoption of a decision in the form of a resolution or decree.

Article 21.
(1) Resolutions of the National Commission may stipulate creation and liquidation of different institutions, including territorial agencies; issuance, suspension and cancellation of permits, licenses; approval and modification of normative acts on regulation of the capital market; approval of regulations on the activity displayed by the professional participants of the financial market; granting and recalling of plenary powers; putting under a ban and other duties in accordance with legislation.
(2) Through the Decrees the National Commission exercises competencies provided for by Article 9 par.1 c) and h) as well as expertise and control functions.

Article 22.
(1) Resolutions and decrees of the National Commission are published in the "Official Monitor of the Republic of Moldova".
(2) Resolutions of the National Commission come into force from the day of publication, if there are no other terms stipulated.
(3) Decrees of the National Commission come into force from the day of their issue.

Article 23.
Decisions of the National Commission may be appealed in court, but this fact does not suspend the execution of the decisions of the National Commission until the final result is adopted by the court.

Chapter V
THE RIGHTS AND OBLIGATIONS ENJOYED BY THE MEMBERS OF THE ADMINISTRATIVE COUNCIL AND STAFF OF THE NATIONAL COMMISSION

Article 24.

(1) Members of the Administrative Council are independent in exercising their service duties and abide by the law exclusively.

(2) Members of the Administrative Council cannot be detained, arrested or called for administrative or criminal responsibility unless upon summons issued by the General Prosecutor and with due consent of the Parliament.

Article 25.

(1) The Chairman of the National Commission:

a) manages the activity of the National Commission, responds to the Parliament on implementation of the assignments, stipulated by the present Law and regulation of the Commission;

b) represents the National Commission in relations with public bodies, as well as in specific international organizations;

c) calls the sittings of the Administrative Council, presides and provides the implementation of the approved decisions;

d) distributes the duties and plenary powers of the Administrative Council members, approved through the Commission's decree;

e) organizes holding of tenders on vacancies in the executive body and territorial agencies of the National Commission;

f) appoints and fires employees of the National Commission and territorial agencies. If it is necessary, imposes disciplinary penalties, pursuant to the regulation;

g) signs conclusions, reports, official answers and other current correspondence.

(2) In the absence of the Chairman of the National Commission the functions, stipulated in paragraph (1), are undertaken by his Deputy.

Article 26.

The Chairman of the National Commission takes part in the sittings of the Parliament and the Government, with the agenda related to regulation and function of the non-banking financial market.

Article 27.

(1) Members and executives of the Administrative Council are obliged to proceed as follows:

a) keep the confidentiality of the information, received within the process of implementation of the functions;

b) abstain from any activity or actions incompatible with the activity as a member of the Administrative Councilor executive of the National Commission.

(2) When joining the office and subsequently every year, members of the Administrative Council are obliged by the law to submit declarations of income and estate.

(3) Members of the Administrative Council are not fit for the office in cases as follows:

a) be a close relative or be in close relations with the President of the Republic of Moldova, the Speaker of the Parliament, the Prime-Minister, the Governor of the National Bank of Moldova;

b) have previous convictions;

c) undertake any other paid activity, with the exception of scientific, teaching and art activity;

d) be members of administrative boards, board of directors, managing committee, inspection commission and other managing bodies of legal persons, which are subject of supervision on behalf of the National Commission;
e) hold more than 0,5% stake (participation share) or of other securities with the professional participants of the financial market and the issuers;
f) abuse their plenary powers for the purpose of publicity.
(4) Executives of the National Commission are not fit for the office in cases as follows:
a) undertake any other paid activity, with the exception of scientific, teaching and art activity;
b) be members of supervisory boards, board of directors, managing committee, inspection commission and other managing bodies of legal persons, which are subject of supervision on behalf of the National Commission;
c) hold more than 0,5% shares (participation share) or of other securities of issuers and license holders;
d) abuse their plenary powers for the purpose of publicity.

Article 28.
Members and executives of the Administrative Council and executives of the National Commission undertake administrative and criminal responsibility in the event of violation of the stipulations of Article 27.
Article 29.
Members of the Administrative Council and executives of the National Commission are authorized to request from the participants of the financial market any documents, verbal or written explanations, necessary for the National Commission in carrying out controlling functions.

Article 30.
Members of the Administrative Council and executives of the National Commission are not authorized to delegate their powers to other persons.

Chapter VI
FINAL AND TRANSITORY PROVISIONS

Article 31.
The present law comes into force from the day of publication.

- **Law No 199-XIV on the Securities Market as of 18.11.1998**

SECTION I.
GENERAL PROVISIONS
Chapter 1. Relations Governed by this Law

Article 1. Object and subjects of the Law

(1) This Law shall govern relations arising from the issuance and circulation of securities within the territory of the country, establish general provisions on activity in the securities markets, measures for protection of investors' interests, and liability for violations in the securities markets.

(2) Subjects of the present Law are:

(a) National Commission of Financial Market, here-and-after referred to as the National Commission, which is an autonomous authority of the central public administration which activates according to Law on National Commission of Financial Market, regulates and authorizes the activity of professional participants to non-banking financial market, supervises observance of legislation by them, as well is authorized to administrate the securities market and to implement the present Law;

(b) issuers, participants, including professional participants of the securities market.

Article 2. Application field of the Law

(1) This Law shall apply to securities that have all of the following distinctive characteristics:

a) are issued for placement;

b) belong to a certain class;

c) grant equal rights within a single class, irrespective of the security issue and manner of their acquisition; and

d) circulate in the securities markets pursuant to stipulations of the present Law.

(2) The present Law does not regulate securities issued by the National Bank of Moldova and banks which are instruments of monetary market, such as bank deposit certificates and bills of exchange, as well as bills of exchange which are issued in the conditions of Law on bills of exchange.

Terms and manner of issuance and circulation of securities, which are issued by banks and are instruments of monetary market, are regulated by the National Bank of Moldova in cooperation with the National Commission.

Terms and manner of issuance and circulation of securities (debts) issued by the National Bank of Moldova, are regulated by it.

(3) Issuance, placement, and circulation of state securities are regulated by the Law on state debt and state guarantees and state re-credit (nr. 419-XVI of 22 December 2006) and other normative acts adopted with the aim of implementing the Law. The present Law regulates the circulation on the stock exchange of state securities with a maturity term longer than one year.

Article 3. Main Definitions

For the purposes of this Law, the following terms shall be used:

Exchange activity in the securities markets (hereinafter - exchange activity) is an organized activity of the securities markets, carried by professional participants to securities markets, directed towards the creation of infrastructure and providing services which directly contribute to performing the civil and legal transactions in securities among the securities market participants.

Trust management is the activity undertaken by fiduciary manager professional participant on the securities market in compliance with the agreement of fiduciary management of the following patrimony transferred to it:

a) securities;

b) cash designated for investment in securities; and

c) securities and cash generated in the process of fiduciary management of securities.

Brokerage activity is the activity of buy-sell of securities, carried out by the professional participant on the securities market as a trustee or a commissioner, acting under a trust agreement or a commission agreement, and under a proxy for engaging in such transactions in the event that no reference to the powers of the trustee or commissioner are made in the agreement.

Clearing and settlement activity is activity undertaken by professional participant on the securities market, that is, collection, checking, and rectification of information on buy-sell securities transactions and preparing the documentation for transactions execution, redemption of mutual obligations of the professional participant on the securities market in the frame of settlement with traded securities, as well as settlement execution by cash transfer and delivery of securities.

Dealer activity is activity of purchasing securities, undertaken by professional participant on the securities market, on one's own behalf and at one's expense for their further resale for profit-generating purposes.

Depository activity is activity of providing services on safekeeping of security and/or evidence of depositors' rights to securities, undertaken by professional participant on the securities market.

Maintenance of nominative securities owners registry activity (hereinafter referred to as registry maintenance activity) is activity of collection, registration, processing and storage of data in order of formation and functioning the system of maintenance of the registry of nominative securities owners, as well as submission of data of the registry of nominative securities owners, carried out by professional participant on the securities market.

Underwriting activity is activity of mediation upon issuance, carried out by professional participant on the securities market on behalf of an issuer, in order of promoting the initial public offering and placement of issuer's securities.

Cancellation of securities is a set of the issuer's actions on redemption and/or destruction of securities in compliance with rules established in this Law and other normative acts.

Securities circulation is a process of transfer and registration of the ownership right in the securities which results from the conclusion of a transaction of their buy-sale, exchange, gifting, inheritance, loan, and other civil transactions.

Class of securities is the aggregate of securities of one issuer and of one type providing equal amount of rights to their owners and having the same distinguishing characteristics. All securities of one class irrespective of their issue shall have one state registration number.

Securities consolidation is the restructuring of a previous issuance (issuances) of one type securities of an issuer, being into circulation, carried out by replacement of all the securities of a given class with a smaller number of securities with a pro rata decrease in the number of all owners' securities. If securities have a nominal value, its proportional increase shall ensue from the consolidation.

Consulting is the activity of providing auxiliary consult services by professional participant on the securities market to the clients in the field of the licensed activity.

Investment consulting is the activity carried out by professional participant on the securities market with regard to the personal recommendation given to a client related with one or more securities transactions.

Modal-contract - modal of contract approved by the National Commission for basic services provided to the securities market participants. Terms of the contract are compulsory for contract parties and may be added other terms, which do not contradict the stipulated rules;

Securities conversion is withdrawal from the circulation and cancellation by an issuer of all the securities of one class by exchanging them for securities of another class of the issuer in question (provided this is stipulated in the decision on issuance of the securities) or against other issuer's securities (in the event of the issuer reorganization).

Depositor - a person who benefits from depository services;

Central Depository of securities (here-and-after referred to as the Central Depository) is professional participant on securities market which provide services of evidence of depositors' rights to securities, clearing and settlement of the executed transactions on the exchange market.

Holder of substantial share is natural person, legal person, group of affiliated persons and/or group of persons acting jointly, which own directly o indirectly a share at least 5 percent of the statutory capital of an issuer or of its securities with voting right.

Securities holder is a person which holds securities in the base of property right (owner) or in base agreement (nominal holder).

Nominal holder of securities (here-and-after referred to as the nominal holder) - professional participant on securities market, which holds, on its name, securities at request of the securities owner or other nominal holders, not being the owner of the given securities;

Information disclosure in the securities market (here-and-after — disclosure) is ensuring access to this information for all interested persons pursuant to a procedure which guarantees obtaining the information regardless of one's purposes.

Transfer instruction is an instruction of a registered person or another person stipulated in the legislation on transferring the property right over securities to other person(s) in the event of buy - sale, donation, securities inheritance, and other cases provided by legislation.

Securities issuance is the issuer’s amount of securities of one class and has the same initial and final term of placement; the actions established by this Law that the issuer undertakes with the aim of placing the securities.

Closed issuance of securities - securities placement of the additional issuance between company shareholders and/or at a closed quarters of persons, approved by the general meeting of shareholders.

Issuer is a legal person or an authority of the public administration which issues securities and bears on its behalf obligations to the security owners with regard to exercise of the rights certified by the securities.

Extract from a registry of nominative securities holders (here-and-after referred to as a registry extract) is a document issued by a registry keeper to a registered person or a person acting on behalf of a registered person, and which contains information on securities registered as of the day of issuing the registry extract.

Split of securities is the restructuring of a previous issuance (issuances) of certain class of securities of an issuer, being into circulation, carried out by replacement of all the securities of a given class with a bigger number of securities with a pro rata increase in the number of all owners' securities. If securities have a nominal value their split shall be accompanied by its proportional decrease.

Privileged information is information of a precise nature which was not publicly disclosed, which refers directly or indirectly to one or more issuers or to one or more securities and which, it would be publicly disclosed, could affect the securities price or the price of the derivative securities to which are related with.

Insider is any person that has access to the issuer's privileged information.

Market maker is professional participant on securities market which carries its activity upon the base license of dealer and which has the liability, pursuant to the agreement concluded with the securities issuer or with the exchange or in other cases established by the legislation, to maintain quotations on a exchange market for a class of securities.

Manipulation on the securities markets - actions or operations with securities carried out using erroneous methods, means and information with an aim of maintaining, increasing, lowering, or destabilizing the market price of securities.

State registration number is a letter-and-digit code that identifies a specific class of securities and is assigned by the National Commission in the manner established thereby.

Public offering of securities in primary market – a communication, carried out independently by the issuer or by intermediaries under any manner and means which submits sufficient information on offer terms and on offered securities upon subscription, and on the condition to have equal opportunities to receive it by the undetermined persons however by the offerer.

Public offering of securities in secondary market - a mandatory offer in cases provided by the legislation or voluntary, made by a person (here-and-after - offerer) regarding the purchase(public offering for purchase) or sale (public offering for sale) of a package of shares with voting rights, broadcasted through media and/or mail.

Public takeover bids - public offering in secondary market addressed to holders of securities with voting right of a company, for the purchase of all these securities or one part of them, indifferently if the offer is mandatory or voluntary, on the condition that it has the aim of taking-over more than 50 percent from the total shares with voting right.

Self-regulatory organization of professional participants in the securities market activity (here-and-after - self-regulatory organization) is a voluntary association of professional securities market participants operating in compliance with the principles of a non-profit organization, in compliance with the present law and other legislative acts.

Central Depository participant is broker, dealer, depositor of investment funds and other legal persons which in compliance with Central Depository rules are entitled to become its participants.

Professional participants on securities market are the legal persons established in a legal form of organization of joint stock companies which exclusively carry out professional activities in the securities market in compliance with the Article 32.

Registered person is holder of a nominative securities registered in the registry of nominative securities holders.

Persons affiliated to a legal entity:

a) the single-member executive body, members of the collegial executive body, as well as officials of the executive bodies of the legal entity concerned;

b) members of the Observatory Council, Board of Directors, as well as members of Auditing Commission of the legal entity concerned;

c) other officials of the legal entity concerned;

d) natural or legal entity which has, individually or together with its affiliated persons, a controlling position in the capital structure of the legal entity concerned;

e) enterprise, in which capital structure the legal entity concerned or its affiliated persons have, individually or conjunctively, a controlling position;

f) natural or legal entity acting on its behalf or on behalf of the legal entity concerned;

g) natural or legal entity on whose behalf the legal entity concerned is acting;

h) natural or legal entity acting together with the legal entity concerned;

i) legal entity which, together with the legal entity concerned, are under the control of a third person;

j) persons affiliated to the persons mentioned at subparagraphs a)-i) above;

k) person whose affiliation is proved by the National Commission or a court.

Persons affiliated to a natural person:

a) kin of 1st and 2nd degree of the natural person concerned;

b) enterprise in which capital the natural person concerned, as well as its affiliated persons, hold, individually or conjunctively, a controlling position;

c) natural or legal entity acting on its behalf or on behalf of the individual concerned;

d) natural or legal entity on whose behalf the natural person concerned is acting;

e) person whose affiliation is proved by the National Commission or a court.

Securities market - market where issuance and circulation of securities takes place;

Primary securities market is a market where issuance of securities takes place.

Secondary securities market is a market at which securities circulate.

Exchange securities market is securities circulation on the stock exchange in the conditions of present Law.

Off-exchange securities market is securities circulation on over the counter exchange in the conditions of present Law.

Placement of securities is the alienation of securities by the issuer to subscribers.

Control is ability to have a decisive influence on the decisions of a certain natural or a legal entity. Any person owning at least 25 percent of the voting shares (stake) of a company is considered to be the person controlling this company unless the named person proves otherwise. Any person who owns less than 25 percent of the voting shares

(stakes) of the company is considered to be a person not controlling the enterprise unless the National Commission or court proves otherwise.

The principle of applying all possible efforts is the principle of providing underwriting services pursuant to which the underwriter undertakes all the possible measures for the securities placement without engaging itself in order to ensure the placement of a certain number of securities.

The principle of firm responsibility is the principle of providing underwriting services pursuant to which the underwriter subscribes all the quantity of securities proposed for placement by the issuer, with its father commercialization on the secondary market or until the date indicated in the public offering prospectus and in the agreement, places issued securities on the primary market, engaging itself to subscribe all unplaced securities to the third persons.

Public offering prospectus is an issuer's or offerer's document enabling an investor to obtain the information necessary for making a decision on purchase or sale of issuer's securities placed by means of public offering in the primary market or are offered by the offerer on the secondary market.

Moldovan depository receipt is a derivative security issued by an issuer registered in the Republic of Moldova and certifying the ownership right of its owner in one or several foreign securities.

State securities registry is a registry of securities to which a state registration number is assigned, is maintained by the National Commission pursuant its established manner;

Registry of nominative securities holders (here-and-after — registry) is a registry of which subject of registration are the data on nominative securities holders of a given class of securities of an issuer.

Issuance(-s) restructure of securities is the modification of the number of shares and/or the nominal value of all securities of a certain class being in circulation, and/or the amount of the statutory capital, which depending of the case, could be accompanied by the consolidation or split of the securities of the given class.

Registry maintenance system is automatic recording system of nominative securities holders issued in compliance with the legislation on joint stock companies and securities market. The system of registry maintenance ensures:

a) description of securities class for which the registry is maintained, the evidence of the balance of the placed securities (being into circulation, treasury);

b) opening the issuer's account for the issued securities;

c) opening the personal account for each securities holder;

d) identification and modification of registered personal requisites;

e) registration of placed securities in the personal accounts of the subscribers, registration of exclusion from circulation the placed securities.

f) registration of the securities transfer between the personal accounts;

g) registration of restraints and facts of encumbering with obligations of securities;

h) registration of issuer's operations with placed securities (conversion, split, consolidation of securities);

i) cancellation of securities from the registered personal accounts and the closing of issuer account;

j) issuance of the extracts from the registry, lists, reports and other information which submission is provided by the legislation or by the concluded agreement with the issuer.

Type of securities is the aggregate of securities which give to a person the same proprietary and non-proprietary rights.

Direct transfer of ownership upon securities is transfer of ownership right as a result of execution of civil transactions with securities off exchange, carried out directly by the registry keeper in the cases provided by the present Law.

Transactions in auction regime are transactions of securities buy-sale, registered on stock exchange in the base department, buy-sale transactions of a unique shareholding, transactions executed as a result of carrying out of public offers on the secondary market, auctions organized by public authorities on the stock exchange, as well as any other transactions executed as a result of carrying out of the auctions on exchange market.

Securities are financial instruments certifying the proprietary and related thereto personal non-proprietary rights of one person with respect to another which may not be exercised or delegated without presentation of a specified document or without having an appropriate entry in the registry of nominative securities holders or in the records of a nominal holder of the securities.

Securities market value is average price registered within the transactions carried out in auction regime on exchange market over the last six months in the volumes established in the Article 21 paragraph (4^2).

Derivative securities are securities the price of which depends on the price of other securities. Issuance and circulation of derivative securities is regulated by the normative acts of the National Commission and Stock Exchange.

Government securities are financial instruments issued in the form of loan agreement in the national or other legal currency concluded between the Republic of Moldova acting as a borrower and physical persons or legal entities acting as a lender.

Materialized securities are financial instruments existing in the form of security certificates. The materialized securities owner is identified by presentation of a duly drawn-up security certificate, or on the basis of an entry in the records of a nominal holder in the event that the securities are transferred to the latter.

Dematerialized nominative securities are financial instruments existing in the form of an entry in accounts. The owner of dematerialized nominative securities shall be identified on the basis of an entry in the registry of the holders of such securities, or in the records of a nominal holder in the event that the securities are transferred to the latter.

Nominative securities are financial instruments which contain the name (title) of their owner.

Foreign securities are financial instruments registered in foreign states of the issuers registered in the respective states.

SECTION II. SECURITIES
Chapter 2. General Provisions

Article 4. Form of Securities

(1) Securities shall be issued in the following forms:

a) materialized nominative securities;

c) dematerialized nominative securities.

(2) Securities of joint-stock companies and derivatives there from can be only nominative ones.
(3) Securities of one class shall be issued in one form.
(4) The form of securities shall be decided by the issuer and specified in the decision on the securities issuance, adopted by the authorized management body of the issuer and in the cases envisioned in the legislation, also in the public offering prospectus and/or in the statutory documents of the issuer.
(5) The form of securities can be changed as decided by issuer's management body which passed the resolution on the securities issuance, and it can be done only with consent of majority of the holders of the securities of this class and only after the registration of this decision with the National Commission.

Article 5. Materialized Securities
(1) Materialized securities shall be released into circulation in the form of certificates which confirms the rights given by securities.
(2) A security certificate shall contain the following:
a) identification data of the issuer;
b) type and class of securities certified by the respective certificate;
c) state registration number;
d) the number of securities, certified by the respective certificate ;
e) name, surname (name) of the securities owner (for the certificates of nominative securities);
f) the issuer's obligation to ensure the owner's rights of securities;
h) certificate ordinal number;
j) issuer's stamp;
k) signatures (facsimiles of the signatures) of the issuers' executive body and the signature of the person who has issued the certificate; and
l) other information envisioned by the legislation for a specific type of securities.
(3) One certificate can certify the property right in one, several or all the materialized securities of one class. One materialized security can be certified by one certificate only.
(4) The total number of securities specified in all the certificates released into circulation by the issuer shall not exceed the number of securities specified in the decision on the securities issuance.
(5) The issuer shall be held responsible for inconsistency of the information contained in the securities certificate with the information specified in the decision on the securities issuance as set forth in the legislation.
(6) Materialized securities must include at least 10 levels of adulteration protection, certified by the Central Laboratory of Scientific Research in Legal Expertise within the Ministry of Justice.

Article 6. Dematerialized nominative securities
(1) Dematerialized nominative securities are issued in the form of entries on personal accounts of registered persons, including on mediums.

(2) For dematerialized nominative securities the documents, which confirm their right, certified by securities is the decision on the securities issuance and extract from a registry.

Article 7. Registry

(1) Issuer of nominal securities shall ensure the maintenance of the registry of the owners of such securities from the day of the securities placement opening, and in the event of the nominal securities issuance in the process of the issuer foundation, in a 15-day term from the day of state registration of securities placed upon the founding the joint stock company.

(2) Issuers with more than 50 registered holders registered in the registry of securities holders of a certain class shall delegate the maintenance of the registry to an independent registrar by entering into an appropriate agreement therewith.

(3) The fact that the registry is maintained by an independent registrar does not relieve the issuer from the responsibility for its maintenance.

(4) The issuer is prohibited to entrust the registry maintenance to several independent registrars at a time.

(5) Changes in the registry reflecting the transfer of ownership rights in securities shall be entered by the registry keeper, in a 3-day term, on the basis of a transfer instruction, which template shall be approved by the National Commission, as well as on the basis of a final judgment of a court regarding the transfer of the ownership rights, which will be presented to the registry keeper. In the event of transfer of ownership rights in materialized securities, a security certificate shall be also presented.

(6) Refusal of the registry keeper to make entries in the registry or evasion from making such entries can be appealed against in the court, and refusal or avoidance of making the entries in the registry, on the basis of a final judgment of a court or of a protocol of a officer of the court regarding the distraint upon Securities shall trigger the liability of the registry keeper according to the legislation in force.

(7) At the first request the registry keeper shall provide the following:

a) to the registered person or the person acting on its behalf - an excerpt from a registry;

b) to a registered person or person acting on behalf of it and holds at least 25% securities - data on name (names) and addresses of persons registered in the registry for the class of securities they belong to. This data is presented pursuant to a written request and exclusively with the aim of convening general shareholders meeting or securities holders meeting of a specific class.

c) to other persons – data mentioned at subparagraph b) with the aim of making a public offer on secondary market.

(8) Extract from a registry shall be issued by a registry keeper:

a) gratis — when introducing amendments in the registry, in the manner set forth by this Law; and

b) for a fee — in other cases.

(9) Extract from a registry shall be issued to the registered person in the event of reregistering the ownership rights in securities or at the request of the registered person within three days.

(10) A registry extract is not a security and its transfer from one person to another does not entail the transfer of ownership rights in securities.
(11) Losses caused by improper use of data specified in paragraph 7(b) shall be reimbursed for in the manner stipulated by the law by a person to which the data was provided by the registry keeper.
(12) A legal action for damage reimbursement can be brought against a person who has violated the maintenance procedure of the registry, the procedure of drawing up and submitting the reports (to the issuer, an independent registrar, or a nominal holder), including for lost profit resulting from impossibility to exercise the rights certified by the securities.
(13) The information from the registry shall be issued free of charge by the registry keeper to the Court Enforcement Department, at its request, in a 3- working days term.
(14) Requirements to the registry and the registry maintenance shall be set forth by the National Commission in compliance with the legislation.

Article 8. Nominal Holder

(1) A depository (with the securities of its depositors), a broker and a trust manager can act as a nominal holder.
(2) Data on the nominal holder and the securities held thereby and about encumbering securities with liabilities shall be entered by the registry keeper into the registry upon the instruction of the securities owner.
(3) Entering data on the nominal holder into the registry and re-registration of securities in the name of the nominal holder does not entail the transfer of ownership rights in securities.
(4) A nominal holder shall:
a) keep a registry of the holders of securities of its clients according to the requirements established by the present law and the normative acts of the National Commission;
b) pursuant to the contracts concluded with its clients:
- undertake necessary actions with the aim to ensure receiving by the clients of payments attached to the securities;
- carry out transactions with securities exclusively at the request of the clients;
- provide securities book-keeping;
- preserve its clients' interests.
(5) The nominal holder shall keep the registry of the holders of securities of its clients pursuant to the license granting it the quality of nominal holder. The maintenance system of this registry shall ensure:
a) description of the securities class wherefore is maintained the registry;
b) opening of a personal account for each securities holder;
c) registration of the securities transfer between personal accounts;
d) registration of the restrictions and facts of encumbering securities with liabilities;
e) registration of operations of the issuer placed securities (securities conversion, split, consolidation);
f) issuance of the extract from the registry, lists, reports and other information which presentation is provided by the legislation or by agreement concluded with the client.

(6) The nominal holder is entitled to exercise the rights certified by a security only if it was authorized to do so by its owner.
(7) The securities of the nominal holder's clients may not be subject to the claims on the nominal holder's liabilities.
(8) Securities transactions between the clients of the same nominal holder shall not be reflected by a registry keeper or another nominal holder the client of which the former nominal holder is.

(10)The nominal holder shall submit to the issuer or the registry keeper the information on the securities included in his registry, indicating the data on the owners of securities and the number of securities owned by them, as well as other information, according to the legislation in force, in the following cases:
a) upon the development by the issuer of specialized reports;
b) upon the development of the list of persons entitled to participate in the general meeting of shareholders, as well as;
c) other cases, when in order to carry out certain acts, according to the requirements of the legislation in force, the information on the securities owners is needed.
11) The nominal holder shall inform the person who maintain the registry of the holders of securities about all changes following the carried out transactions for the changes entering in the list of shareholders with participation right at the meeting at least one day before the general shareholders meeting is held.

Chapter 3. Issuance of Securities

Article 9. Stages of Securities Issuance

(1) Issuance of securities can be carried out by means of public offering on primary market (public issuance) or without it (closed issuance).
(2) Public issuance of securities shall include the following stages:
a) the issuer makes a decision on securities issuance;
a^1) the issuer and the underwriter conclude the agreement on underwriting services providing, in the event of securities placement by the underwriter;
b) the issuer prepares and approves the public offering prospectus;
c) in the event of the first public issuance of nominative securities — the agreement on registry maintenance is concluded by the issuer and an independent registrar;
d) registration of the public offering of securities at the National Commission and a state registration number shall be assigned to securities;
e) issuer's opening of a temporary account of national currency for the funds generated as a result of securities placement;
f) multiplication of the public offering prospectus, as well as manufacturing of securities certificates — for the issuers which issue materialized securities;
g) disclosure of information contained in the public offering prospectus as set forth in this Law;
h) placement of securities;
i) issuer's adoption of the report on the results of the issuance and qualification of the respective issuance as valid or invalid;
j) registration of the report on the results of the issuance at the National Commission;

k) entering in the charter of the amendments and additions related to the results of the issuance (in the event of shares issuance);
l) closure of the temporary account and transfer of the funds from the respective account to the current account of the issuer in the event that the National Commission registered the report on the results of the public issuance of securities.
m) entering the information on the holders of securities into the registry, issuance of certificates (in the event that materialized securities are issued) or extracts from the registries (in the event that dematerialized securities are issued) to the subscribers of securities;
(3) Closed issuance of securities shall consist of the following stages:
a) the issuer makes a decision on the issuance of securities;
b) placement of securities;
c) approval by the issuer of the report on issuance results and qualification of the issuance as implemented or non-implemented;
d) registration at the National Commission of the issuance, carried out pursuant to the provisions of established in Articles 14, 15 and 18, excepting the requirements regarding the development, registration and publication of the public offer prospectus on primary market;
e) operation of modifications in the issuer's Charter and completing determined by the result of the issuance;
f) entering of data on securities holders in the registry and extracts issuance from the registry.
(4) A state registration number shall be assigned to securities placed under closed issuance as set forth by the National Commission.
(5) An issuer is obliged to terminate placement of the securities issued thereby a year following the beginning of their placement, unless a shorter period of time is set forth in the legislation, in the public offering prospectus (for public issuance), or decision on the issuance (for closed issuance).
(6) Payment in installments for securities during their placement is prohibited.
(7) The number of securities being placed shall not exceed the number specified in the public offering prospectus (for public issuance) or in the decision on issuance of these securities (for closed issuance).
(8) In the event that a smaller number of securities were placed that the one stipulated by the issuer’s decision on securities issuance and /or in the public offering prospectus, the issuer may consider the issuance as invalid.
(9) The issuer is entitled to terminate the issuance ahead of time in the following cases:
a) complete placement of securities;
b) issuer's decision to refuse to complete the issuance and to reimburse the investors founds which were deposited in payment account for securities – in the event that the option to make such decision is stipulated in the public offering prospectus (for public issuance) or in the decision on the securities issuance (for closed issuance).
(10) In the event securities issuance is suspended due to a violation of the stipulations of the present article, its renewal is made pursuant to the National Commission resolution, after violations are recovered. In this case, term of securities placement, stipulated by a

public offering prospectus (for public issuance) or by resolution on securities issuance (for closed issuance), is not prolonged.
(11) In the event that the securities issuance was qualified as non-implemented or invalid, the resources received by the issuer as a result of subscription or placement of securities are to be returned to investors, and the materialized securities are to be returned to the issuer in order to be cancelled. At the same time, the issuer shall return to the investors the benefit gained as the result of using cash received in the process of subscription or placement of securities, or the lost income, if the issuance terms include such a stipulation.
(12) All expenses related to securities qualification as non-implemented or invalid and to repayment of cash to investors are beard by the issuer.
(13) The resources transferred to the issuer's temporary account can be used by issuer until the registration of the report on the results of the additional issuance only in the event that the bank shall assure the bonds guarantee of the issuer envisioned in paragraph (11).
(14) In the event it is stated by the National Commission and/or by the court that securities issuance is implemented by violation of stipulations of the present article or used some manipulations, the issuer bears responsibility pursuant to the legislation.

Article 10. Decision on Securities Issuance
(1) The issuer shall make a separate decision on issuance for each securities issue of a given class.
(2) The decision on securities issuance shall contain:
a) issuer's identification data;
b) date and number of state registration of the issuer except for issuance of shares at the foundation of a joint-stock company;
c) date of the decision on securities issuance;
d) name of the issuer's authorized body that made the decision on securities issuance;
e) type of securities;
f) class of securities;
g) ordinal number of the securities issue of a given class;
h) number of securities in this issue;
i) total number of securities of a given class (the issue included);
j) form of securities, and in case of materialized form of the securities issue - description or a sample of the security certificate;
k) description of rights certified by the security of a given class and its other unique characteristics;
1) procedure for securities issuance (public or closed);
m) beginning and termination of placement of securities of the given issuance;
m^1) securities payment forms of the given issuance;
n) signature of the issuer's manager, his name and position, the issuer's stamp;
(2^1) decision on bonds issue, additional on information mentioned in the paragraph (2), shall contain:
a) data on the form assurance of issued bonds;
b) bonds interest and method of its determination;

c) manner and term of bonds interest payment;
d) term of bonds circulation;
e) manner of bonds purchase and repurchase until the expiry of circulation term;

(3) The issuer is not entitled to modify the decision on securities issuance, affecting the rights granted by one security set forth in this decision.

Article 11. Registration of the state securities

Each issuance of state securities is given a state registration number by the Ministry of Finance, pursuant to the relevant international standard. The National Bank of Moldova shall submit to the National Commission the information on the results of auctions for state securities with a maturity longer than one year.

Chapter 4. Public Offering of Securities on Primary Market

Article 12. General Provisions

(1) Public offering of securities is carried out both on securities primary market (public offering on primary market) and during the process of securities circulation (public offering in the secondary market).
(3) Conditions of securities issuance and circulation through public offering may not place some investors in advantageous position in comparison with the other investors.
(4) Provision of paragraph (3) shall not be applied in the event of:
a) the shareholders of the joint-stock companies are vested with a preemptive right to purchase securities of a new issue in the amount proportional to the number of shares they own as of the moment of making the decision on the issuance;
b) legislation or the issuer impose restrictions to securities subscription.
c) legislation impose restrictions to securities circulation.

Article 13. General Requirements to the Public Offering Prospectus on Primary Market.

(1) The form of the public offering prospectus on primary market shall be set by the National Commission. For banks and other financial institutions the public offering prospectus on primary market shall be set by the National Bank of Moldova in coordination with the National Commission.
(2) The public offering prospectus on primary market shall contain, in an accessible and easily analyzable form, all information that, in compliance with issuer's specific character and with public offered securities, is necessary to allow investors to make a good assessment of assets and liabilities, financial standing, profit and losses, issuer's and guarantors' perspective, as well as rights afferent these securities, and namely:
a) general information about the issuer;
b) data on the financial standing of the issuer;
c) specification on the pending securities issue; and
d) investment declaration.
(3) General information about the issuer shall include:
a) identification data of the issuer;
b) legal form of the issuer;

c) date and number of state registration of the issuer as a legal entity, name of the registering body;
d) specification of the management bodies structure of the issuer;
e) information on the members of the Company Council, executive body, Auditing Commission, and other similar management bodies of the issuer;
f) information on the persons who own at least 5 percent of the total number of the issuer's voting shares;
g) list and identification data of all branches and representative offices of the issuer;
h) list and identification data of all enterprises in which the issuer has at least 5 percent of the statutory capital.
(4) Information on financial standing of the issuer shall be certified by an independent auditor and shall include:
a) specifications on the statutory capital and net assets of the issuer;
b) financial report with all adequate attachments over the last three completed fiscal years, or for each complete fiscal year from the moment of establishment if this period of time is less than three years;
c) issuer's balance sheet as of the end of the last quarter before the decision on securities issuance is made;
d) size of the issuer's past due debt to creditors and arrears to the corresponding budget;
e) report on formation and uses of funds from the reserve fund over the last three years or for each completed year from the moment of issuer formation if the period of time is less than three years;
f) structure of state taxes, fees and duties paid by the issuer;
g) specification on previous security issues of the issuer;
h) information on the long-term economic agreements that can significantly affect financial standing of the issuer.
(5) Information on the envisaged issuance of securities shall contain:
a) general information on the envisaged issuance of securities;
b) description of rights certified by the security of the given class and its other unique characteristics;
c) opening and closing securities placement;
d) stipulation of prices and procedure for payment for securities;
e) stipulation of restrictions to securities purchase or indication that there are none;
f) stipulation of the procedure and terms of receiving dividend (on share issuance) or interest (on bonds issuance);
g) description of risk factors related to the issuer or the issued securities class;
h) information on underwriters of the issuer;
i) information on an independent registrar that maintains the registry.
(6) Investment declaration shall stipulate the areas of use of the mobilized funds by the issuer.
(6^1) In the event of bonds issuance, additional on provisions of the paragraph.(4) and (5) information on financial standing of the issuer shall contain the estimation results of the pledged goods in the purpose of ensuring the execution of insurer’s liabilities to bonds holder (in the event of bonds issuance insured with issuer’s goods) and information on envisaged issuance of bonds shall include:

a) bonds interest and the method of its determination;
b) procedure of bonds insurance and pledged goods (in the event of insured bonds issuance);
c) procedure of bonds conversion (in the event of convertible bonds issuance);
d) procedure and term of publication of conditions of subscription and financial reports of the issuer and guarantor, depending of the case, on the hole period of bonds circulation;
e) procedure of bonds redemption;
f) specification of the events which can produce cancellation (annulment) of the subscription agreement on issuer's initiative;
g) specification of the issuer's right to repurchase bonds ahead the term, as well as from the term of which the repurchase can be executed, or the remark on the lack of this right;
h) specification of the bonds holder right to repurchase bonds ahead the term.

(6^2) The public offering prospectus on primary market shall contain, also, a summary in which will be briefly presented the main characteristics and risks afferent to the issuer, guarantor and securities in the language in which initially the prospectus was elaborated and it will contain the warring that any decision to invest in securities shall be based on investor's examination of the prospectus as a hole.
(6^3) In the public offering prospectus on primary market shall be clearly identified the responsible persons for the included information in the prospectus by indicating their name and position or in the case of legal persons - the name and their headquarters, as well it shall be included the declarations of these persons that the information of the prospectus corresponds with the facts and it was not missed out any information that can affect the investor's decision regarding the investment in the proposed securities.
(7) The public offering prospectus on primary market shall be available at the issuer's legal address and at the selling sites of securities, being distributed by the issuer or its underwriter free of charge at the request of a potential buyer of securities. The prospectus can be published on the website of the issuer, underwriter, Stock Exchange and National Commission.

Article 14. Registration of Public Offering of Securities on Primary Market
(1) The procedure of public offering registration of securities on the primary market is established by the National Commission.
(2) For the purpose of registration of the public offering of securities on primary market the issuer shall submit to the National Commission the following documents:
a) registration application;
b) copies of the issuer's foundation documents with all the changes and amendments authorized in the established manner;
c) document evidencing the fact of state registration of the issuer;
d) minutes of the powered body which make the decision on the securities issuance, with the attachment of the respective decision;
e) public offering prospectus;
f) samples security certificates - for issuers issuing materialized securities;
g) permission of the authorized body - in cases stipulated by the anti-monopoly legislation;

h) permission of the National Bank of Moldova – in issuers' case – financial institutions;
h^1) document which certifies the securities insurance (in the event of insured bonds issuance) or issuer's proofs of correspondence of the established criteria (in the event of non-insured bonds issuance);
h^2) confirmation of assumed liabilities by the underwriter in the purpose of insurance of the issuance results (in the event of services providing pursuant the principle of firm responsibility);
i) a copy of the agreement on the maintenance of registry, concluded with an independent registrar, in the event when the registry is maintained by an independent registrar;
j) copies of payment documents regarding the payment of fees and charges concerning the registration of public offering.
(3) The National Commission shall register the public offering of securities on primary market or make a motivated decision to decline registration not later than 30 days following the receipt of all the documents stipulated in paragraph (2).
(4) A state registration number shall be assigned to the class of securities at the registration of the public offering of the first issuance of securities of the class in question.
(5) After the examination of the request for the public offering of securities on primary market registration issued by a financial institution, the National Commission shall notify the National Bank of Moldova of a registration or a refusal to register the offering.
(6) The issuer of securities and its underwriter shall be held responsible for information provided in the public offering prospectus and other documents submitted for the public offering registration in compliance with the terms and conditions of the underwriting agreement.

Article 15. Grounds to Decline Public Offering of Securities on Primary Market Registration

(1) The following can serve as grounds to decline the public offering on primary market registration:
a) incompliance of the filed documents, information contained therein, or procedures of their approval with the requirements of the legislation;
b) the documents contain information which allows to conclude that the conditions of securities issuance and circulation contradict the legislation's provisions;
c) including in the public offering prospectus, in the decision on issuance of securities or other documents serving as a ground to register the securities issuance false information or erroneous information.
(2) Refusal of the registration request of a public offering of securities on primary market for reasons of inexpediency shall not be permitted.
(3) A decision to decline the public offering on primary market registration shall be sent by the National Commission to the issuer within 5 days following the moment of the decision effectiveness with the grounds for the decline stated therein.
(4) The decision to refuse to register a public offering of securities on primary market can be appealed against in court.

Article 16. Introducing Amendments and Additions to the Public Offering on primary market Prospectus of Securities

(1)In the event that after the public offering on primary market prospectus of securities registration at the National Commission are determined errors and inaccuracies contained in the prospectus and/or in the subscription period it was produced events which could effect the offering execution, the issuer is obliged to stipulate them into an appendix of the prospectus. The prospectus appendix in term of no more than 7 working days shall be registered and published in the same manner as the prospectus. In the event of necessity, the prospectus summary shall be also completed.

(2) The investor which has subscribed to the securities before the appendix publication of the public offering prospectus of securities on primary market has the right to retreat the subscription, the issuer being obliged to redeem the contribution and the benefit obtained as a result of use (deposition) of subscriber's funds in term of 5 working days following the request was made.

Article 17. Specific Features of Executing the Public Offering of Securities on Primary Market

(1) The issuer is entitled to initiate the initial public offering of securities on primary market only after the registration of public offering of securities prospectus with the National Commission.

(2) Securities placement may be launched not earlier than 15 days after providing access to information included in public offering prospectus to all potential investors.

(3) Information on price of placed securities is distributed from the first day of securities placement.

(4) The public offering of securities on primary market may also be executed by the issuer's underwriter on behalf of the issuer or by underwriter.

Article 18. Report on the Additional Issuance Results

(1) The issuer shall submit to the National Commission, within 15 days following the day of the securities placement end of the additional issuance, the following documents:

a) registration request of report on the securities' additional issuance results;

b) minutes of the issuer's authorized management body which approved the report on the securities' additional issuance results;

c) confirmation issued by the bank institution on deposition of subscribers' money facilities in the securities payment account;

d) report on market value estimation of the non-monetary contributions, approved by the issuer's authorized management body, and its delivery – reception document in the payment account of subscribed securities – in the event of securities payment with non-monetary contributions;

e) documents that confirms the provenance of company's debts, including the audit document of debts – in the event of their conversion into additional issuance of shares;

f) confirmation of the Public Property Agency under The Ministry of Economy and Trade regarding the execution of the agreement provisions – in the event of securities issuance from the account of the investment capitalization executed by the persons which purchased block of shares in the privatization process of public property;

g) list of subscribers on securities, approved by the issuer's authorized management body, which contains subscribers' identification data necessary for personal account opening in the securities holders registry, number of subscribed shares and amount of deposited contributions, in three copies;
h) copy of the financial report on the last reporting date of the issuer;
i) notice of the National Bank of Moldova on approval of securities' additional issuance results –for commercial banks;
j) consent of the Public Property Agency under The Ministry of Economy and Trade, in the event that the State detains a share of at least 10 percent from the issuer's statutory capital;
k) copies of payment instructions regarding the acquittal of payments and taxes concerning the report registration.

(2) The report on the securities additional issuance results shall contain data on the issuer's authorized management body which approved the report, the term in which it was executed the securities subscription and the class characteristic, the amount of the subscribed securities from the number securities announced to be placed, contributions and the paid amounts by the subscribers in the subscribed securities accounts, the contributions amount directed on the increase of the statutory capital and in the income account from the additional issuance (additional capital), the amount of the statutory capital following the increase, as well data on holders who owns more than 5 percent from voting securities of the issuer until and after the additional issuance execution.
(3) The issuer shall be held responsible in conformity with legislation for the veracity of data contained in the report.
(4) The National Commission shall review the report on the securities additional issuance results within 15 days, and in case there are no violations of legislation shall register it.
(5) In the event there are violations pointed out in implementation of securities additional issuance, the National Commission refuses to register the report and qualifies the issuance as non-valid. Within 15 days the National Commission publishes the resolution from the date of its adoption.

Article 18[1]. Specific Features of Executing Bonds Issuance

(1) Bonds can be issued by Joint Stock Companies, as well as by Central and Local Public Administration Authorities, in the events envisioned by legislation. Bonds issuance, circulation and redemption, issued by Central and Local Public Administration Authorities are regulated by normative acts of the National Commission elaborated together with authorized authorities.
(2)The issuer shall insure the bonds issuance, as well the afferent interest by pledging its own assets and/or third persons assets and/or bank guarantee and/or by fidejussion , and/or by insurance policy, except the cases of issuance of the convertible bonds into shares or meeting simultaneously by issuer of the following conditions:
a) issuer's statutory capital value is more than 1 million lei;

b) issuer carries out the activity at least 3 years, and the last 2 years acquired a net profit; in the case of commercial banks – carrying out the activity at least one year and the year ending with a positive financial result;
c) within the last three years of issuance decision adoption, the issuer strictly observed the legislation provisions regarding the information disclosure and securities holders rights;
d) issuer has no cases of non-execution or non-observance of execution terms of its obligations to bonds holders previously placed.
(3) The insured bonds confers to its holder all rights came out from this insurance. The transfer of property right upon insured bonds by the new holder as result of its circulation on secondary market, it has as an effect the transfer of all property rights that rises from this insurance.
(4) If a third person is implicated in issuance insurance of bonds, the decision on bonds and public offering prospectus issuance shall be signed by the respective person.
(5)Bank guarantee, conferred in the purpose of rights insurance afferent the bonds, it can not be withdrawn or canceled. The bank guarantee shall be valid until the issuer will honor its obligations of all debts afferent the bonds repurchase. In the event that the bank which offered the respective guarantee becomes insolvable, the issuer shall be liable, within 15 working days, to make measures in order to reimburse the guarantee of financial loan.
(6) Fidejussor shall be the legal person that on the whole execution period of the fidejussion agreement, complies with the requirements stipulated in paragraph (2), subparagraph a) and b), as well corresponds to the following criteria:
a) net assets value (own capital) of the fidejussor shall not be lower than its statutory capital value;
b) net assets value (own capital) of the fidejussor shall exceed the loan value upon bonds in question and others fidejussor's loans upon bonds of which guarantor it is.
Fidejussion agreement shall include information on fidejussor' complying with the requirements stipulated in this paragraph and its engagement not to alienate the patrimony that is owned by him until the issuer will honor its obligations, in accordance with the loan conditions.

The National Commission is entitled to require from the issuer a conclusion of another fidejussion agreement, if the initial fidejussor does not meet any more requirements of this law, or that the issuer shall insure the loan in another manner envisioned by legislation.
(7) The Joint Stock Company is entitled to issue bonds convertible into shares if the company Charter or the decision of the general shareholders meeting contains such provisions.
(8) The decision on convertible bonds and public offering prospectus issuance shall provide the procedure and the period in which will take place the bonds conversion into shares of the issuer.
(9) The decision on convertible bonds issuance shall contain the mention on issuer right to issue shares in the period of bonds circulation.

(10) The market value of the pledged assets for the assurance of the issuer's liabilities execution with regard to the bonds holders shall be determined by specialized company which is not affiliated to the company.
(11) The amount of bonds issuance, afferent interests and other expenses of the issuer related to the redemption of the debt of the bonds from the pledge account, shall not exceed 90 percent of the market value of the pledged assets.
(12) During the whole period of the bonds circulation, the formed pledge shall not be erased from the registry of pledge.
(13) The bonds placement shall be executed by concluding the subscription to bonds agreement between the issuer and the subscribers to bonds.
(14) The subscription to bonds agreement (hereinafter referred to as subscription agreement) shall include detailed information on rights and liabilities of the subscribers to bonds, as well those of their holders.
(15) The subscription agreement may be canceled (called-off) in the period of its validity:
a) on issuer's initiative – in the case that intervene the events stipulated in the public offering prospectus;
b) on subscriber's initiative to bonds– in the case of the events that affect the issuer's financial-economic activity, pursuant the provisions of the article 54, paragraph (6);
c) on the National Commission or the court qualification of the issuance as invalid;
d) in other cases stipulated by the legislation or the subscription agreement.
(16) The subscription agreement is valid once with its signature until the entering of subscriber to bonds in the registry of bonds holders and its issuance of extract from the registry – in the case of dematerialized nominative bonds, or the extract from the registry and the bonds certificate – in the case of materialized bonds. From this moment the subscriber has all the rights of the bonds owner.
(17) The issuer shall undertake the necessary measures for registration of subscribers to bonds in the registry within 5 days following the issuance results registration at the National Commission.
(18) In the event of non-payment or incomplete payment, from issuer's fault, of interest afferent to bonds or the nominal value on its redemption, the issuer is obliged to discharge to the bonds holder the amount of the debt and the penalty for each day of delay, calculated beginning from the base rate of the National Bank of Moldova on the execution date of the financial liability.
(19) The bonds redemption shall be carried out in the manner and in compliance with the conditions stipulated in the public offering prospectus.
(20) The bonds redemption shall be carried out through their repurchase by the issuer. The issuer is not entitled to reject the bonds holder request on the bonds repurchase if it acts in compliance with the conditions stipulated in the public offering prospectus.
(21) The issuer is obliged to repurchase bonds at least on their nominal value.
(22) Once with the term expiration of bonds circulation, as it is provided in the bonds issuance decision and in the public offering prospectus of bonds, their circulation is suspended.
(23)The amounts afferent to the bonds redemption which were not received by the bonds holders are maintained on separate bank account of the issuer for the fulfillment of the

legal requirements of the bonds holder. The funds from this account can not be used by the issuer in other purposes.
(24) In order to erase the bonds with expired term of circulation from the State registry of securities, the issuer shall submit for examination to National Commission, within 40 days following the expiry date of its redemption term, the following documents:
a) its confirmation regarding the execution of all obligations to bonds holders;
b) the extract from the issuer account of bonds opened in the registry of securities holders regarding the number of redeemed bonds (repurchased) on this account;
c) the balance of issued, redeemed and non-redeemed bonds;
d) its confirmation regarding the funds transfer on the opened banking account according to paragraph (23);
e) the list of bonds holders drawn up on the date of the expiry of term of bonds circulation;
f) the list of non-redeemed bonds holders, depending of the case.

The mentioned documents in the subparagraphs d) – f) are submitted by the issuer in the event that the bonds holders did not submitted and/or did not indicated to the issuer the manner of funds receiving afferent to the bonds redemption which they own.
(25) The right to submit a request of the forced execution of liabilities by the issuer to bonds holder raises in the event that within 30 days following the expiry of term of bonds circulation, the issuer did not meet its liabilities to bonds holder.
(26) The forced execution of issuer's liabilities in the event mentioned in the paragraph (25), shall be carried out for all bonds holders pursuant to their list drawn up by the registry keeper on the date of the term expiry of bonds circulation.
(27)The manner of issuance, circulation and redemption of the bonds placed by Stock Joint Companies is established by the National Commission.

Article 19. Procedure of the Public Offering of Securities in the Secondary Market
(1) Public offerings of securities in the secondary market shall be made in the following conditions:
a) the initial public offering of these securities had been registered in the established manner;
b) the issue of these securities was deemed implemented;
c) the issue of these securities was not deemed invalid.

Article 20. Changes in Information about Securities Placed by means of the Public Offering in the Primary Market
If the issuer makes a decision which entails any changes in the information about securities the public offering in the primary market of which had been registered to the National Commission, the issuer shall submit this decision on registration within 5 working days following its adoption in the manner set forth by the National Commission.

Chapter 5. Public Offering in the Secondary Market

Article 21. General Requirements to Public Offering in the Secondary Market

(1) A public offering prospectus in the secondary market shall contain:
a) identification data of the offerer;
b) date of making and the term of validity of the offer;
c) identification data of the issuer, of the which shares the offerer intends to purchase or to sell;
d) the amount and the type of the specified shares, offered purchase price or sale price;
e) the procedure for submitting by the security holders of their offers to sell the shares they own (in case of a public offering in the secondary market for purchase) or by potential investors of their offers to buy shares that belong to the offerer (in case of a public offering in the secondary market for sale), as well as the manner of revocation of such offers;
f) identification data of the registry keeper or of the depository of the shares specified in the respective offer;
g) data on conditions and manner of execution of the commitments by the offerer with regard to the respective offer;
h) information on offer financing, including the date of transfer of the funds by the offerer on the broker's account in order to honor the liabilities of the offer.
i) other conditions which do not contradict the legislation.
(2) Proposals for sale of shares made by their holders, as well as the proposals for purchase made by applicants, are registered for free by the professional participant on the securities market which carries out a brokerage activity in the list of persons accepting the offer.
(3) The term of validity of a public offering in the secondary market shall be not less than 30 days but not more than 60 days.
(4) The purchase price of the shares specified in the public offering shall be at least equal with biggest price of the following prices:
a) the biggest price paid by the offerer or by the its affiliated persons in the last 6 months of the previous date of submission to the National Commission of the registration request of the offer;
b) average purchase price registered within the transactions carried out to the auction over the last six months preceding the date of submission to the National Commission of the registration request of the offer;
(4^1) If not any of the provisions of the paragraph (4) can not be applied, the offered price shall be determined with taking into consideration at least two of the following criteria:
a) average transaction price of the shares over the last twelve months preceding the date of the offer announcement;
b) net assets value that comes to one share pursuant the last audited financial standing of the issuer;
c) estimative value of the shares, determined by an estimation company of securities and their assets, which is not affiliated to the issuer and to the offerer.
The manner of criteria use on price determination is set up by the National Commission.
(4^2) With regard to cases provided in paragraph (4) and paragraph (4^1) subparagraph a), the price shall be taken into calculation depending on the number of securities of

respective class, traded in the period of the price forming, starting with the following volumes:
a) in the event of shares transaction of an issuer with statutory capital up to 5 million lei inclusively, shall be taken into calculation the price on which forming had participated at least 5 percent of the number of issued shares of the respective class;
b) in the event of shares transaction of an issuer with statutory capital up to 5 to 10 million lei inclusively, shall be taken into calculation the price on which forming had participated at least 3 percent of the number of issued share of the respective class;
c) in the event of shares transaction of an issuer with statutory capital up to 10 to 25 million lei inclusively, shall be taken into calculation the price on which forming had participated at least 1 percent of the number of issued share of the respective class;
d) in the event of shares transaction of an issuer with statutory capital up to 25 to 50 million lei inclusively, shall be taken into calculation the price on which forming had participated at least 0,5 percent of the number of issued share of the respective class;
e) in the event of shares transaction of an issuer with statutory capital more than 50 million lei inclusively, shall be taken into calculation the price on which forming had participated at least 0,1 percent of the number of issued share of the respective class;
(4^3) On price determination pursuant to the provisions of the paragraphs (4) - (4^2) shall not be taken into calculation the price formed by manipulation.
(4^4) The securities exposed on a public offering for sale are traded only into an auction regime in the exchange market. Its exposure price is set up by the offerer.
(5) Conditions of the public offering in the secondary market are to be equal for all securities holders of this kind and all potential buyers.
(6) Any information presented by an issuer to an offerer is to be presented without delay in the same volume to other offerers.
(7) The registry keeper shall issue to the offerer the list of the company shareholders only after the registration of the respective offering to the National Commission.
(8) The mandatory public takeover bids is carried out in the event that a person holds independently or jointly with its affiliated persons more than 50 percent of circulating shares with the voting right of an issuer, which correspond one of the criteria stipulated in the Article 2 paragraph (2) from the Law on joint stock companies. The mandatory public takeover bids is carried out ones. The National Commission is entitled request the repeated execution of the mandatory public takeover bids in the event that detain documentary proofs that there were not respected the requirements concerning the announcement and the course of the offer.
(8^1) The voluntary public takeover bids is carried out in the event that a person independently or jointly with its affiliated persons intend to purchase more than 50 percent of circulating shares with the voting right of an issuer.
(8^2) The public offering in the secondary market also is carried out by:
a) insider- in the cases stipulated in Article 60 paragraph (1);
b) issuer- on the purchase of its shares;
c) any person which is not obligated, but which wants to purchase or to sell securities through public offering.
(8^3) The public offering in the secondary market initiated by the issuer in order to avoid the currency diminution of the securities in the exchange market shall be carried out only

with the National Commission notice, issued up to 3 days following the date that the request was submitted by the issuer. This offering may be initiated only in the event that the issuer's securities were traded in the exchange market within a period of at least 6 months, previous to the price diminution, in a volume not less than that indicated in the paragraph (4^2), and the price in the transactions decreased lower than the market value of the securities of the respective class.

(8^4) The minor shareholder is entitled to request anytime to the person that detain independently or jointly with its affiliated persons more than 90 percent of total volume of shares with the voting right of a company, to purchase its detained shares at a fair price. The respective request is to be executed up to 30 days following its submission.

(8^5) Is considered to be a fair price of shares which is determined in compliance with the provisions of the paragraphs (4) - (4^2).

(8^6) The manner of execution the public offering, as well as the manner of the minor shareholder withdrawal, pursuant the paragraphs (8^3), (8^4) and (8^{10}), are set up by the National Commission.

(8^7) On the process of the public offering in the secondary market shall be observed the following principles:

a) in the event that is announced a mandatory public takeover bids, the joint stock company insiders are entitled to alienate their shares in the announced conditions of the offer.

b) in the event that is announced a public offering for sale, the joint stock company insiders are entitled to purchase shares in the announced conditions of the offer.

c) in the event that is announced a public offering for purchase, the joint stock company insiders, excepting the insiders which jointly detain with their affiliated persons more than 50 percent of shares with the voting right of an issuer are entitled to alienate their shares in the announced conditions of the offer;

d) in the event that is announced a voluntary public takeover bids, the joint stock company insiders which detain jointly with their affiliated persons more than 50 percent of shares with the voting right of an issuer are entitled to alienate their shares in the announced conditions of the offer only in the event that the issuer had disclosed the privileged information which could influence the price of the securities.

e) in the event that is announced a public offering for sale by auction, on the ground of some special regulations, approved or coordinated with National Commission, this offering shall not be registered to the National Commission, and the purchaser insiders are entitled to purchase shares in the conditions of the announced offer;

(8^8) The person that carried out a public offering in the secondary market of mandatory takeover bids is entitled, within 6 months following the expiry of this offering, without the registration to the National Commission of a new offering, to purchase securities in the conditions of the offering registered previously;

(8^9) The payment of the traded securities within of public offering shall be carried out only with money facilities.

(8^{10}) Any person, except the issuer, may announce a public offering for competitive purchase having as a subject the same securities, in the following conditions:

a) the object of the competitive offering constitutes at least the same number of shares and/or the aim of the offering is to achieve the same quota in the statutory capital; as well as

b) the proposed price is higher than proposed price in the first offering.
(9) The action of norms of the present Article related to shares - subject of public offering in the secondary market, is applied on any securities that can be converted into shares.

Article 22. Registration of the Public Offering in the Secondary Market

(1) The public offering prospectus in the secondary market shall be registered with the National Commission in its established manner.
(2) It is prohibited to make a public offering in the secondary market, to purchase, sell or negotiate the purchase or sale of securities on the basis of the public offering in the secondary market, as well as to advertise this offer prior to public offering prospectus registration with the National Commission.
(3) The offerer can amend the public offering in the secondary market in a manner that does not violate the law, provided that such amendments and additions are registered with the National Commission. The amendments and additions cannot worsen the conditions of the public offering in the secondary market.

Article 23. Execution of Public Offering in the Secondary Market

(1) The information on initiation of the public offering in the secondary market shall be acquainted with securities holders and/or potential investors by its publication in the media publication stipulated in the company Charter, and in the event of mandatory public takeover bids – also by personal acquaintance of the securities holders.
(2) A securities holder who accepts the public offering in the secondary market shall forward to the broker which serves the offerer the order to sell the securities that belongs to it.
(3) A securities holder who has made this order to sell the securities is entitled to revoke it during the period of validity of the public offering in the secondary market.
(4) In the event that within the term set by the public offering in the secondary market were made orders to sell a number of securities which is equal to or exceeds the number indicated in the offer, the offerer shall buy up these securities in the amount no less than the one specified in the offer by satisfying all these orders in full or on a pro rata basis.
(5) In the event that within the term set in the public offering in the secondary market were made orders to sell a lower number of securities than it was specified in the offer, the offerer is entitled either to refuse to fulfill his liabilities on the offer, or to purchase these shares by satisfying all the orders. This provision does not apply to the situation provided in Article 21 (8).
(7) Within the entire term of validity of the public offering in the secondary market the offerer shall not:
a) by any means other than the public offering in the secondary market, directly or indirectly purchase or negotiate the purchase of securities which are the subject of this offer;
b) sell the securities specified in the public offering in the secondary market.
(8) Public offering in the secondary market is executed through the professional participant on securities market which carries out brokerage activity.

Chapter 6. Circulation of Securities

Article 24. Securities Transactions

(1) Securities transactions shall be executed in compliance with this Law and other legislative acts.

(2) Once with the registration in the registry of the ownership right in a security, the buyer shall acquire all the rights certified by this security.

(3) In the events stipulated in the anti-monopoly legislation, the purchase and alienation of securities shall be executed with consent of the National Agency of Concurrence Protection.

(4) Securities transactions issued by joint stock companies are carried out in the exchange market, with exception of:

a) the transactions stipulated in Article II paragraph (3) of the Law nr.163-XVI from July 13, 2007; as well as

b) direct transfers of the ownership in securities provided by this Law.

(5) The registration of transactions with shares in banks, which exceed the thresholds established in Article 15 of the Law on financial institutions, shall be carried out upon a written permission of the National Bank of Moldova as to the ownership of such shares by the bank shareholders, issued pursuant to the mentioned Law.

Article 26. Transfer of Ownership Rights in Nominative Securities

(1) Transfer of ownership rights in nominative securities is carried out in the manner established by the legislation.

(2) Transfer of ownership right in nominative securities from one person to another is carried out by means of a transfer instruction (in the event of securities records are maintained in the registry) or by means of an instruction to a nominal holder registered in the manner established by the National Commission (in the event of the securities records are maintained by the nominal holder).

(3) Transfer instruction shall be signed by the registered person who transfers nominative securities, or by another person in compliance with the legislation. In the event of the nominative securities transfer as a result of the transaction concluded at the Stock Exchange, the transfer instruction shall be signed by the authorized person of a member of the Stock Exchange.

(4) Signatures of natural persons on the transfer instructions and instructions to a nominal holder shall be certified by a notary, by the registry keeper or by professional securities market participants whose clients are natural persons. A person which certifies the signature shall bear a responsibility, in compliance with the legislation, for the damage caused by the violation of the signature verification requirements.

(5) Ownership right in dematerialized nominative securities shall be transferred to the buyer upon making an entry in the buyer's personal account in the registry (in the event that the securities records are maintained in the registry), or in the records of the nominal holder (in the event that the securities are recorded by the nominal holder).

(6) The ownership right in materialized nominative securities shall be transferred to the buyer:

a) upon handing to him the security certificate after an entry in the buyer's personal account is made (in the event that the securities records are maintained in the registry);

b) upon the entry in the buyer's personal account is made in the registry, after handing the security certificate to nominal holder, whose client is the buyer (in the event that the securities are recorded by the nominal holder).

Article 26[1] Direct Transfer of Ownership Rights in Securities

(1) Direct transfer of ownership rights in securities to the registry keeper is allowed in the following cases:

a) securities placement in the primary market;

b) split, consolidation or conversion of the issuer securities;

c) issuer's repurchase of shares in the conditions established in the Article 79 of the Law on Joint Stock Companies;

d) issuer's alienation or transmission of treasury shares to the employees and /or to the company shareholders in the established manner of the general shareholders meeting;

e) securities deposition as a contribution to the statutory capital of a commercial company;

f) execution of the court decision;

g) issuer's reorganization or liquidation;

h) carrying out investment and commercial contests with securities exposed for sale in compliance with the Law regarding the administration and denationalization of the public properties;

i) executed transactions pursuant to the provisions of the Article II paragraph (3) of the Law nr.163-XVI from July 13, 2007;

j) private persons' sale and purchase of securities obtained as a result of privatization bonds investment and/or as a result of investment funds liquidation implicated in the privatization process against privatization bonds, in the event of cumulated volume of these transactions, within 12 months, do not exceed 1 percent of the total number of the issued securities of the given class;

k) acquittal with securities the certain debts of the State to the participants on privatization;

l) securities succession and inheritance;

m) free of charge securities transfer in compliance with the Law regarding the administration and denationalization of the public properties;

n) transactions of unsolicited securities in compliance with the Law on agricultural companies restructuring in the process of privatization;

o) transactions resultant from the asset partition in the securities form;

p) conclusion of grant agreements between private persons, as well as execution of other acts on grants pursuant the Civil Cod.

(2) The direct transfer of ownership in securities in the specified case of the paragraph (1) subparagraph j) shell be carried out on the last price registered on the exchange market or on the price of which maximum fluctuation, in ratio with the last price of the exchange market, shall not exceed:

a) for securities registered on exchange quota – plus/minus 5 percent;

b) for other securities traded on exchange market – plus/minus 15 percent;

(3) In the event that the securities obtained by inheritance, gift between wedded, relatives and affine up to the 2nd degree of kinship inclusively or as a result of transfer for free have no market value, their transfer shall be carried out at its nominal value.

(4) Observance of the provisions of this Article is the competence of the persons which maintain the registry of securities holders and/or the registry of the nominal holders, as the case may be.

Article 27. Exercise of Rights Certified by Securities

(1) The rights certified by nominative securities shall be exercised:

a) upon presentation by the owner or his authorized person of the certificate of these securities, with regard to the person specified in the securities certificate, in the event that the materialized securities records are maintained in the registry. If the materialized securities are encumbered with any liability, the rights certified by these securities shall be exercised with regard to the persons specified in the registry without presentation of certificates of these securities;

b) in the event that the materialized securities records are maintained in the registry, with regard to the persons specified in the registry; and

c) in the event that the securities records are maintained by the nominal holder, with regard to the persons specified in the records of the nominal holder.

(2) If the registry keeper (in the event that the securities records are maintained in the registry) or the nominal holder (in the event that the securities records are maintained by the nominal holder) is not informed about the data on the new owner of the nominative securities by the moment the registry is closed, the issuer obligations shall be fulfilled with regard to the person registered in the registry or the one specified in the records of the nominal holder keeper when the registry is closed.

(5) The rights certified by securities shall be exercised by their holders only in the period of securities registration in the State registry of securities.

(6) In the event of registry blocking of personal accounts, right of security holder to alienate securities is suspended till unblocking.

Article 28. Encumbering Securities with Liabilities

(1) Securities can be encumbered by pledge or other liabilities stipulated in the legislation.

(2) Agreement on pledge concluded in writing shall serve as a basis for the securities pledge. In the period of agreement on pledge validity, the pledgee does not have the right to manage the pledged securities.

(3) Agreement on pledge of nominative securities shall be valid only if a clause restricting the alienation of pledged securities is made in the registry.

(4) The agreement on pledge of nominative securities shall have legal power upon entering the corresponding entry into the registry.

(5) Failure to observe the provisions of paragraph (3)-(4) of pledging nominative securities shall invalidate the agreement on pledge and entail the consequences envisioned by the legislation.

6) Once the pledger has fulfilled his obligations secured by the pledge, the pledgee shall submit to the registry keeper a written declaration on canceling the pledge, executing the registering on avoidance of restriction upon the alienation right in the pledged securities. In case of pledging of the materialized nominative securities, the pledgee shall return to the pledger the securities' certificates.

(7) In the event that the pledger does not fulfill his obligations secured by the pledge, the pledgee can exercise the rights established by the legislation on pledge.

Article 29. Specific Features of Placement and Circulation of Foreign Securities in the Republic of Moldova

(1) Public offering of foreign securities in the territory of the Republic of Moldova shall be carried out only in the form of Moldovan depository receipts in these securities.

(2) The provisions set forth by this Law with regard to securities of the issuer registered in the Republic of Moldova shall apply to the registration and public offering of Moldovan depository receipts.

Article 30. Purchase of Securities by Foreign Investors

Foreign investors purchase securities of the issuers registered in the Republic of Moldova in the manner set forth by the legislation.

Article 31. Split, Consolidation, Conversion and Cancellation of Securities

(1) Split and consolidation of securities:

a) do not entail changes in the amount of funds raised by the issuer at the securities placement;

b) do not serve as a ground for paying out of securities retired from holders;

c) shall be carried out without additional expenses to the securities holders.

(2) Issuer's decisions on the split, consolidation or conversion of previously placed securities shall be subject to registration with the National Commission in the manner stipulated by it.

(3) Other issues with regard to split, consolidation, and conversion of securities are resolved in the manner stipulated by the National Commission.

(4) Cancellation of securities shall be executed at the decision of:

a) the issuer, in the event of split, consolidation or conversion of securities, reduction of the statutory capital, and in other cases envisioned in the legislation;

b) the National Commission, in the event that issuance of securities is recognized invalid or the issuer has not finished the stages established in Article 9 (3) e) and f); as well in other events stipulated by legislation;

c) a court, in the event that the issuance of securities is deemed invalid or in the event that the activity of the issuer is terminated.

(5) In the event of cancellation of the securities previously placed by the issuer, the National Commission shall make appropriate entries in the State securities registry after one of the events specified at paragraph (4) a), and in other cases – after satisfying the legitimate requests of the securities' holders.

(6) Information on cancellation of previously placed securities is subject to publication by National Commission within 10 days following the day of making the appropriate entry in the state share registry.

(7) No circulation of securities shall be permitted from the moment of publication of information on the securities cancellation. Securities transaction effected after the set day shall be deemed invalid.

(8) The decision on securities cancellation, adopted by the body mentioned in paragraph (4), shall provide the stages, terms of cancellation and actions to be undertaken by the issuer and other bodies for the cancellation of securities.
(9) Withdrawal of securities from circulation and their cancellation shall be permitted only after all legal claims of their holders have been satisfied.
(10) The procedures and the terms of securities withdrawal from circulation and their cancellation are set forth by the National Commission in compliance with the legislation.

SECTION III. PROFESSIONAL PARTICIPANTS IN THE SECURITIES MARKETS

Chapter 7. Professional Activities in the Securities Markets

Article 32. Professional activity in the securities market

(1) Professional participant on securities markets is entitled to carry out professional activity after the license obtaining issued by the National Commission. In the license for the carrying out of the professional activity in securities markets shall be expressly specified the basic and connected activities.
(2) In the securities market can be carried out the following types of basic activities:
a) brokerage activity;
b) dealer activity;
c) trust management activity;
d) registry maintenance;
e) depository activity;
f) exchange activity in the securities market;
g) central depository activity;
h) securities and their assets estimation activity;
i) investment consulting activity;
j) investment funds activity.
(3) The following connected activities the license holder has the right to carry out, depending on the basic activity carried out in conformity with the obtained license:
a) underwriting activity;
b) clearing and settlement activity;
c) consulting activity.
(4) By waiver from provisions of paragraphs (2) and (3), brokerage, registry maintenance and investment consulting activities can be carried out as well as connected activities, but clearing and settlement activity as basic activity.
(5) The license for brokerage activity as basic activity gives the right to its holders to carry out investment consulting activity as connected activity.
(6) The license for dealer activity as basic activity gives the right to its holder to carry out brokerage, underwriting and investment consulting activities as connected activities.
(7) The license for trust management activity as basic activity gives the right to its holder to carry out investment consulting activity as connected activity.
(8) The license for registry maintenance activity as basic activity gives the right to its holder to carry out consulting activity as connected activity.
(9) The license for depository activity as basic activity gives the right to its holder to carry out consulting activity as connected activity.

(10) The license for exchange activity in the securities market as basic activity gives the right to its holder to carry out consulting and clearing and settlement activities as connected activities.
(11) The license for the activity of Central Depository of securities gives the right to its holder to carry out depository, clearing and settlement and registry maintenance activities as basic activity and consulting activity as connected activity.
(12) The license for securities and its assets estimation activity as basic activity gives the right to its holder to carry out consulting activity as connected activity.
(13) The investment funds carry out professional activity in securities markets in compliance with Law on investment funds, present Law and normative acts of the National Commission.
(14) A juridical person can hold only one license for professional activity in securities markets.

Article 33. Brokerage Activity

(1) Brokerage activity is carried out by a broker who is a professional securities market participant.
(2) Rights and duties of a broker and his client shall be stipulated in the agreement on brokerage services and in the instructions given to the broker by the client in accordance with this agreement.
(3) The model of form agreement on brokerage services shall be set by the National Commission.
(3^1) The broker is entitled to carry out services on securities and funds management indented for investment and reinvestment in securities of the client in the event that such services are stipulated in brokerage agreement.
(4) Brokers shall transfer the power of attorney for carrying out transactions only to brokers. The transfer is allowed if it is stipulated in the brokerage services agreement or in cases when a broker is forced to do so in order to protect the interests of his client with the notification of the latter.
(5) The broker shall execute clients' instructions in good faith and on terms favorable for the client and in the order in which they were received, unless the agreement with the client or his instruction envisions otherwise.
(6) Securities transactions executed by the broker upon the clients' instruction should be executed with priority over the dealer transactions of the broker or over transactions executed by the broker upon instruction of its affiliated persons.
(7) In the event that the broker has an interest which prevents him from executing the client's instruction on the terms most beneficial for the client, the broker shall immediately notify the latter of such an interest.
(8) In the event that a conflict of interests between the broker and his client, of which the client was not notified before the broker received the respective instruction, led to execution of the instruction to the detriment of the client's interests, the broker is obliged to compensate for the losses from his own account as set forth in legislation.
(9) The client property maintained upon broker shall not be responsible for broker’s liabilities that are not related to the execution of client’s instructions.

(10) The broker shall compensate in full for the losses incurred by a client as a result of non-execution or improper execution by the broker of his obligations under the agreement on brokerage services.
(11) In the event that the broker is deemed insolvent (bankrupt), the property that he holds under agreements on brokerage services and which belongs to his clients shall not be included in tender stock.

Article 34. Dealer Activity
(1) Dealer activity is carried out by the professional participant in securities market.
(2) Announcing the price, the dealer is committed to announce other essential conditions of the buy-sell contract of securities: minimum and maximum number of securities subject to purchase and/or sale, as well as the term of announced prices validity.
(2^1) In the event, pursuant to detained license, its holder carries out the dealer and brokerage activity, the given instructions of client to the broker always are priority executed in comparison to dealer transactions.
(3) The legal person which trades securities in a systematical manner and/or the amount charged from transactions with securities, according to the results of a reported semester, constitutes more than 35% out of the total amount obtained from production distribution (works, services) has the obligation to apply for a license for dealer activity.

Article 35. Underwriting Activity
(1) Underwriting activity includes:
a) assistance granted to securities issuer in the process of elaboration and drawing up of the public offering prospectus and other documents for the registering of securities public offering in the primary market;
b) promotion of the public offering and securities placement of the issuer on primary market;
c) servicing of securities issuance in financial relations of the issuer with securities holders, if this is stipulated in the contract.
(2) Underwriting services are provided in conformity with one of the following principles:
a) principle of application of all possible efforts;
b) principle of firm responsibility.
(3) In the contract of underwriting services providing shall be specified, in the mandatory manner, the principle according to which are provided underwriting services.
(4) The principle of firm responsibility, specified in the contract of underwriting services providing, could not be modified after the registration of public offering prospectus to National Commission.

Article 36. Trust Management Activity
(1) Trust management activity is carried out by professional participant in securities market.
(2) The trust management procedures, the rights and obligations of an investment and of its client manager shall be set forth by legislation and agreements on trust management.

(3) The sample of modal-contract on trust management is stipulated by the National Commission.
(4) In conformity with the trust management agreement, one party (trust founder) shall transfer to another party (trust manager) property for a certain period of time, and the other party shall assume the obligation to manage this property in the interests of the trust founder or the person specified thereby (beneficiary).
(5) Transfer of securities into trust management shall not result in the transfer of ownership rights therein to the investment manager. The trust manager is liable to ensure the maintenance of each client assets separately from its own assets.
(6) The amount of remuneration of a trust manager, excepting the professional participant in the securities market who is managing the property of an investment fund, is established by the parties, but cannot exceed 25 per cent of the income received by the trust founder as a result of the property management.
(7) The remuneration of the trust manager can be paid only in cash.
(8) Activity of the investment fund manager is considered as activity of investment administration.
(9) Investment manager shall indicate that it acts as a trust manager while carrying out its activity.
(10) In the event that a conflict of interests between an trust manager and its client or different clients of one trust manager, of which all the parties had not been notified in advance, resulted in such actions of the manager that have caused damage to a client, the manager is responsible in conformity with the procedure set forth in the legislation.

Article 37. Registry Maintenance Activity
(1) Registry maintenance activity shall be carry out by the professional participant in the securities market, with the exception of issuer. The registry keeper can be an issuer or an independent registrar who carries out registry maintenance on the basis of an agreement on registry maintenance entered into with the issuer and nominal holder, in the cases envisioned by this Law.
(2) The sample of modal contract of registry maintenance, as well the maximum amount of remuneration for the registry keeper services shall be set by the National Commission in compliance with legislation.
(3) A registry keeper shall:
a) comply with the established registry maintenance procedures;
b) open in registry a personal account for each registered person on the basis set forth by the National Commission;
c) enter all necessary changes and additions into the registry maintenance system;
d) perform transactions in the personal accounts of registered persons at their instruction;
e) deliver to the registered persons information provided by the issuer – in the event that the registry is maintained by the independent registrar;
f) present to registered persons data from registry about name (denomination) of the persons registered in the registry and about number, class and nominal value of securities that belong them in compliance with the present Law;
g) inform the National Commission in cases when in the securities registry keepers of the issuer from a certain class it was registered more than 50 persons.

h) in the event of termination of the agreement with the issuer, comply with the established procedure by National Commission of transfer of the registry – in the event that the registry is maintained by the independent registrar;
i) perform other activities as set forth in this Law.
(3^1) In the ranted cassettes of commercial banks from Republic of Moldova, the registry keeper shall ensure the keeping of information copy from registry into electronic file. The contract copy on electronic catalogues keeping, authenticated by official signature or by stamp of registry keeper, as well further adjunctions and amendments of agreement shall be submitted to National Commission within 10 days from the moment when the agreement was concluded or from the moment of adjunctions and amendments execution.
(3^2) The registry keeper is liable to renew the copy of information from registry into electronic file at least once per 15 days.
(4) The registry keeper is not entitled to impose other requirements upon making changes in the system of registry maintenance of security owners besides those set in conformity with this Law.
(5) Independent registrar is prohibited from carrying out transactions with the securities of issuers with which it signed the registry maintenance agreement.
(6) The registry keeper shall be held responsible in conformity with legislation the losses incurred as a result of non-execution or improper execution of its obligations.

Article 38. Depository Activity
(1) Depository activity is carried out by a professional securities market participant.
(2) Depository acts on the basis of the contract on providing depository services concluded with the depositor.
(3) The sample of modal-contract on providing depository services is set forth by the National Commission.
(4) Conclusion of the depository agreement shall not entail the transfer of ownership rights in the depositor's securities to the depository.
(5) Depository is committed to keep records of securities, included rights granted by these, as well as securities encumbering with obligations in the compliance with the present law and contract concluded with securities holder.
(6) In compliance with the depository agreement, a depository is entitled to get registered in the registry maintenance system of the securities holders or with another depository as a nominal holder.
(7) Depository has no right to manage the depositor's securities unless it is not stipulated in the legislation.
(8) No claims related to the depository's obligations may be attached to the securities of its depositors.
(9) In compliance with the legislation, a depository shall be held liable for disclosure of confidential information obtained by it as a result of fulfilling its obligations.

Article 39. Clearing and Settlement Activity
(1) Clearing and settlement activity is held by:

a) Central Depository – in securities and other financial instrument transactions included in the list of admitted transactions to Central Depository;
b) Stock Exchange - in securities and other financial instrument transactions registered upon Stock Exchange and not included in the list of admitted transactions to Central Depository;
(2) The documents whose form and nomenclature are approved by the National Commission serve as a ground for execution of settlement and clearing operations afferent to securities transactions.

Article 40. Securities and their Assets Estimation Activity
(1) Estimation of securities and their assets is executed on the ground of the contract of estimation services, concluded between estimator and client.
(2) The sample of modal-contract for securities and their assets estimation services is established by the National Commission
(3) Estimation of securities and their assets can be voluntary or mandatory. Voluntary estimation is executed on beneficiary initiative (issuer, securities holder, investor, etc.). Mandatory estimation is executed in the events established by the present Law and other legislative acts, as well in the event that the securities do not have market value.
(4) In its activity, the estimator shall base on:
a) securities quotation on the exchange market;
b) financial standing of issuer resulted from financial reports;
c) amount of net assets of the issuer on market value;
d) information on current activity, development operations and perspectives of issuer activity;
e) accessible information on issuer which, in estimator opinion, can be used on execution of analyses;
f) accessible information on other issuers of which shares are traded on securities market, which, in estimator opinion, can be used on execution of comparative analyses;
g) other financial studies and analyses which, in estimator opinion, can be used on the elaboration of notice regarding market value of assets.
(5) Estimation organization or its specialist could not execute the estimation of securities and its assets in the event that:
a) is founder, shareholder or official of the legal person, holder of patrimonial rights upon estimation subject;
b) is natural person who has kin of 1^{st} and 2^{nd} degree or affinity with founders, shareholders or officials of the client ;
c) the results of estimation are to be used by the estimator.
(6) In its activity, the estimator is obliged to:
a) observe the provisions of legislative acts and other effective normative acts and the provisions of the contract for estimation services;
b) inform the client about the impossibility of his participation on execution of estimation as a result of circumstances that brake the execution of a fair estimation;
c) execute conscientiously the estimation and to submit a fair and argued report of estimation;
d) not disclose confidential information obtained in the estimation period.

(7) The estimative value of the securities determined by the estimator is considered veridical and recommendable to use if the effective legislation, National Commission decision or the court decision do not stipulated otherwise.
(8) The estimator bears civil, administrative and penal responsibility for the prejudices caused as a result of securities underestimation or overestimation.
(9) The procedure of application of estimation methods and the structure of securities estimation report are set forth in the National Commission normative acts.

Article 40[1]. Investment consulting and consulting activity
(1) The investment consulting activity includes the following services provided by the professional participant in securities markets:
a) consulting on evaluation and management of investment risk in securities;
b) recommendations on formation of securities portfolio;
c) providing opinions and recommendations related to the securities purchase and sale;
d) analyses of securities market from the initiative of professional participant in securities market that carries out investment consulting activity or to client request;
e) consulting services stipulated in the paragraph (2).
(2) Consulting activity includes services provided in licensed and consulting activity field granted to market participants in any problems related to the capital structure, joint-stock companies reorganization, repurchase or purchase of the placed securities, carrying out of the public offering in the secondary market.
(3) The professional participant in securities market that carries out investment consulting activity shall:
a) use the information sources adequate to elaborated analyses and recommendations, being interdicted in its reports or recommendations the use of some unreal or erroneous information;
b) maintain the material and the information sources which have been used;
c) familiarize the client with the general characteristics of the securities investment process, as well with the criteria which were fundamentally in the creation, analyses and selection of the securities portfolio;
d) indicate the source and author of the used material concerning the elaborated studies and published by other persons.
(4) Professional participant in securities market which carries out consulting and investment consulting activity is obliged to keep the confidentiality of information about its clients.
(5) For persons who carry out consulting and investment consulting activity it is interdicted the followings:
a) to recommend investments that would acquire individual revenues or for its affiliated persons;
b) to act as counterpart upon transactions executed as a result of given recommendations.

Article 41. Central Depository
(1) Central Depository issues only nominative ordinary shares of the single class. The shareholders of Central Depository can be only professional securities market participants.

(2) The shareholders of Central Depository cannot hold more that 5% from voting rights, except the Stock Exchange that can hold up to 75% of voting rights.
(3) Any alienation of Central Depository shares shall be announced to National Commission within 3 working days.
(4) In the event of the violation of requirements concerning to the maximum quota of votes of one shareholder stipulated in the paragraph (2), the voting rights afferent to shares held with violation of requirements are suspended and it is applied the procedure stipulated in Article 67.
(5) Central Depository drafts and approves the rules and procedures of organization and developing of its activity, which are approved by the National Commission and shall be effective following the date of their publication in the Official Monitor of the Republic of Moldova.
(6) In the event of amendment of legislation that regulates depository activity and namely the maintenance of depositors' rights on securities and execution of clearing and settlement operations, the Central Depository shall modify the rules and procedures of organization and developing of its activity.
(7) The amount of commission and tariffs tolled by the Central Depository shall be approved by the General Shareholders Meeting and coordinated with National Commission.
(8) Central Depository creates and manages the risk fund of participants for reducing settlement risk within the exchange transactions executed by the depository participants.
(9) The Central Depository participants shall pay fees in the participants risk fund in the manner and conditions established by the Central Depository rules.
(10) The resources of the participants' risk funds are not included in the component of the proper resources of the Central Depository and are used only for the participants' debts amortization for their obligations to the settlement of executed transactions.
(11) The Central Depository employees, wedded, relatives and their kin up to 1st and 2nd degree have no right to hold more than 0,5% from statutory capital and other securities of the professional participants in securities markets.

Article 42. Suspension of activity and liquidation of professional participants on securities market

1) The activity of the professional participant on securities market is suspended in the manner envisioned by legislation, pursuant to the resolution of a court body or the National Commission, in the event the violation of the effective legislation is stated. Within the period of suspension of professional participant's activity on securities market, all actions of the administrative bodies of the professional participant are coordinated with the National Commission.
(2) Liquidation of a professional participant on securities market or cessation of the professional activity on the securities market can take place:
a) pursuant to the resolution of its administrative body;
b) pursuant to a decision of the National Commission on withdrawing the license or expiry of validity term of an issued license;
c) pursuant to the decision of court body;
(3) National Commission can appoint its representative for reason to participate at the liquidation of professional participant on securities market or its professional activity on

securities marker process, in conformity with legislation and other normative acts of National Commission.
(4) Decision regarding raying of the license holder from the registry of professional participants in securities market is adopted after the confirmation of the contractual liabilities redemption, assumed within the services providing in the securities field.
(4^1) National Commission is entitled to suspend the term of validity of license of the professional participant in securities market for a period up to 6 months, with the exception of the term of validity of license for the registry maintenance activity. The reasons for the suspension of the term of validity of the license could be:
a) violation of provisions of the present Law or other legislative acts of the National Commission, established for the carrying out of licensed activities, inclusively of the requirements to the amount of the own capital and guarantee fund;
b) non-submission of notice, in the established term, with regard to modifications of the data specified in attached documents to the request of license issuance;
c) inobservance of terms established by the National Commission for the elimination of discovered violations;
d) violations of terms, mode and forms established by the legislation for the disclosure of information;
e) counteraction of controls execution upon professional participants in securities markets activity and/or avoidance from the submission of the information and documents requested within controls;
f) inobservance of legislation on admonition and combating of money laundering and financing of terrorism.
(4^2) The license for registry maintenance activity shall be expressly withdrawn, without its previously suspension, in the event that the license holder does not undertake measures for conformation of its activity, inclusively those specified in paragraph (4^1), in the terms established by the National Commission.
(4^3) National Commission is entitled to withdraw the license of professional participant in securities market in the event that:
a) the withdrawal of the license is requested voluntary by the professional participant in the securities market on the base of the request submitted by its manager;
b) their violations and consequences, which have served as a ground for the adoption of decision on suspension of license validity, were not excluded in the terms established by the National Commission;
c) the license has been obtained on the base of some untruthfully information offered by the applicant;
d) have been committed grave and/or repeated violations of provisions of the present Law and normative acts of the National Commission;
e) the license holder carried out other activities illegally;
f) the branch and/or another separated subdivisions of the license holder carried out licensed activity without the authorized copy of license;
g) the license holder is in the process of reorganization or liquidation;
h) the license holder was adjudged insolvent by court decision;
i) the license holder did not begin its activity within one year following the date of license issuance;
j) it was withdrawn the bank authorization (for financial institutions).

(4^4) The liquidation of the professional participant in securities market on the base of court decision is executed by the liquidator designated by the court.
(4^5) The liquidator of the professional participant in securities market shall correspond to the requirements of qualification set forth by the present Law for the officials of the professional participant in securities market.
(4^6) Following the date of effectiveness of the decision of forced withdrawal of the license for the professional activity on securities market, the professional participant on securities market is not entitled to engage upon other activities of securities market, being obliged to alienate its assets in a limited term (in the case of professional participant liquidation) and to honor its obligations to its clients. In the liquidation period, professional participant on securities market remains subject of the present Law as in the period of license holding.
(5) Decision of the National Commission on suspension of activity and withdrawal of license of the professional participant on securities market may be examined by court bodies. Disputes or action in court do not suspend the execution of the National Commission decision before the definitive resolution of the cause by the court.

Article 43. Particularities of bank and other financial institutions activity on securities market

(1) Banks and other financial institutions have the right to undertake those types of activity on securities market, which are stipulated by financial activity authorization, issued by the National Bank of Moldova.
(2) The requirements to the norms of own capital for commercial banks are established by National Bank of Moldova.
(3) The notion of "control position" stipulated by the present law is applicable for banks and other financial institutions pursuant to the Law on financial institutions.

Chapter 8. Stock Exchange

Article 44. General provisions

(1) The Stock Exchange shall be set up and function as joint-stock company with the statutory capital not less than 500 thousand lei. The National Commission has the right to ask the stock exchange to increase the statutory capital.
(2) The Stock Exchange shareholder can be any natural or legal person, in conformity with the provision of Article 53 paragraph (11).
(2^1) Any Stock Exchange shareholder, together with his affiliated persons, directly or indirectly, is entitled to hold not more than 25 per cent from the number of the placed share, with the condition of mandatory obtaining of the National Commission permission with regard to the detaining of substantial share. Such permission shall be obtained as well on the procurement of each further share of 5 per cent from Stock Exchange shares, until the maximum share of 25 per cent.
(2^2) In the event of violations of the requirements of the paragraph (2^1), the voting rights afferent to shares obtained from the mentioned requirements violation are suspended and it is applied the procedure mentioned in the Article 67.
(3) The Stock Exchange operates in the base of the charter adopted by its General Shareholders Meeting, coordinated with National Commission.

(4) The brokers and dealers shall hold at least 50 per cent of shares with voting rights issued by the Stock Exchange.

Article 45. Stock Exchange Members

(1) Members of the Stock Exchange must have a license for brokerage and/or dealer who meet qualification requirements to solvency and activity organization set by the Stock Exchange.

(2) Any person who meets the requirements specified in paragraph (1) and who agrees to comply with the rules of the Exchange may not be declined membership in the Stock Exchange.

(2^1) In its activity, the Stock Exchange is invested with the right to supervise and control the observance of Stock Exchange rules by its members.

(3) Membership in the Stock Exchange shall terminate in the event of:

a) voluntary withdrawal from the Exchange membership;

b) National Commission withdraws the license from the exchange member issued for broker or dealer activity;

c) cancellation of membership in the Exchange at the decision of the Exchange Board in cases when the member fails to meet membership qualification requirements or in the event of gross violation of the Exchange rules; and

d) liquidation of the Stock Exchange.

(4) The manner of joining, withdrawal and cancellation of the membership in the Stock Exchange shall be determined by Charter of the Stock Exchange.

Article 46. Management and Employees of the Stock Exchange

(1) Management bodies of the Stock Exchange are:

a) General shareholders meeting;

b) Exchange Council;

c) Executive Body;

d) Auditing Commission.

(2) The members of Exchange Council cannot be persons that did not obtain the qualification certificate of National Commission, nor administrators and specialists of the public authority.

(4) Members of the National Commission can take part in the sittings of Exchange Council.

(5) The Stock Exchange activity is amenable to mandatory auditing control, subject of which is financial and economic exercise.

(6) Employees of the Stock Exchange and their close relations are not entitled to own more than 0,5% from statutory capital and from securities of professional security market participants.

Article 47. Stock Exchange Rules

(1) The Stock Exchange shall draft exchange rules which set forth the followings:

a) conditions and procedures of admission, exclusion and suspension of the exchange membership;

a) conditions and procedures of admission, exclusion and suspension of the securities upon transactions;
c) conditions and procedures of transactions, as well as liabilities of the exchange members and issuers admitted to transactions;
d) limitation of the oscillation of securities prices;
e) procedures of determination mode of the prices and quotation;
f) transaction types and exchange orders;
g) mode of information disclosure to public;
h) clearing and settlement system of transactions;
i) procedures of using of guarantee funds resources;
j) ensuring mechanisms of security and control of informational system, as well as of safe keeping of data and stocked information, folders and databases, inclusively in exceptional situations;
k) resolution of disputations which arise between exchange members upon the execution of exchange operations;
l) procedures of amendments and additions of exchange rules.
(1^1) Stock exchange rules shall ensure:
a) the infrastructure creation, ensuring the execution of securities transactions by the participant in the process of negotiations in equal conditions;
b) the impartial access of the members to trade system;
c) the assurance of possibility to obtain the best price in the respective moment through exchange procedures;
d) the granting of sufficient information on given orders and concluded transactions;
e) the orderliness of effective legislation requirements with regard to combating and ferreting out of excesses in the securities markets, combating of money laundering and financing of terrorism.
(1^2) In the event that exchange rules shall not ensure the fulfillment of the requirements stipulated in the paragraph (1^1), National Commission has the right to modify these requirements.
(2) The Stock Exchange rules are adopted by Exchange Council, are approved by National Commission and are published in the Official Monitor of the Republic of Moldova.
(3) The Stock Exchange, in agreement with National Commission, shall set the amount of and the procedure for charging:
a) contributions to the Stock Exchange from the remuneration received by the Exchange members for participation in the exchange trades;
b) fees and other payments made by the Exchange members and third parties for the services provided by the Stock Exchange;
d) fines paid for the violation of the requirements of the Exchange Charter, rules of the exchange and other internal documents of the Stock Exchange.
(4) The Stock Exchange shall ensure the public character of trades by informing all its members about the time and the place of the trades, about the list and quotation of securities admitted for circulation in the Exchange, about the results of the trading sessions, and also provide disclosure of other information envisioned by this Law.
(5) The Stock Exchange is not entitled to establish the amount of remuneration for the execution of the Exchange transaction paid by the clients to the Exchange members.

Article 48. Manner of Securities Admission to Circulation at the Exchange

(1) The following securities shall be admitted to circulation at the Stock Exchange:

a) securities the public offering of which was registered in the manner stipulated in this Law, except for shares of mutual investment funds and on intervals;

b) state securities with a maturity term more than one year;

c) other securities and financial instruments in compliance with the legislation.

(2) The joint-stock companies are obliged to register the securities placed at Stock Exchange in the manner established by Stock Exchange. This requirement do not concern the joint-stock companies in which Charter the securities circulation is envisioned in conformity with Article II paragraph (3) of Law nr.163-XVI from July 13, 2007.

(3) The Stock Exchange is prohibited from rejecting the admission to the Stock Exchange of the following:

a) securities mentioned in paragraph (2) which shall be included in the list of securities circulating at the Exchange based on the appropriate account of the issuer, registry keeper, or the National Commission;

b) government securities included in the list of securities circulating at the Exchange at the proposal of the National Bank of Moldova in agreement with the Ministry of Finance;

c) other securities and financial instruments complying with the Exchange rules.

(4) Securities not included in the list of securities circulating at the Stock Exchange may not be involved in the Exchange transactions.

Article 49. Conditions for the Stock Exchange Activity

(1) Only members of the Exchange are entitled to participate in the Stock Exchange trades. The Stock Exchange itself can participate in its trades with the aim of repurchasing and selling securities under the transaction not performed by the Exchange member. Other securities market participants can execute transactions at the Exchange through Exchange members with whom the respective contracts were concluded.

(2) The Exchange Council shall determine the amount of the Stock Exchange revenue required for financing its activity on the annual basis.

(3) The revenue of the Stock Exchange are comprised of:

a) membership fee,

b) fees and other payments made by the members of the Exchange and third parties in the Exchange trades for the services provided by the Exchange, in conformity with Stock Exchange Charter and rules;

c) fines paid for the violations of the requirements of the internal documents of the Stock Exchange,

d) other revenue resulting from the Stock Exchange operation.

(6) In compliance with the Stock Exchange rules the Council or Executive Director of the Stock Exchange is entitled to suspend the right of member from participation in the exchange transactions.

(7) The decision of Stock Exchange Council or head of administration concerning suspension of the exchange members right to participate to exchange transactions can be appealed against in the superior hierarchical body of the Exchange and/or in National Commission.

(8) The National Commission has the rights to suspend the right of exchange members to participate in exchange transactions. Such resolution of the National Commission can be examined by a court body.
(9) The National Commission calls the inspectors for the execution of the supervision and control of the Stock Exchange activity.
(10) The National Commission can suspend a part or all securities operations in the event that it detects the violation of provisions of legislative acts.

Chapter 9. Self-Regulatory Organizations

Article 50. General Provisions

(1) The status of a self-regulatory organization of professional securities market participants is accorded by the National Commission in the manner established by it.
(3) Self-regulatory organization shall be set up for:
a) creating the environment for professional activities for organization's members;
b) meeting the standards of business conduct in the securities market;
c) protecting the rights of investors, securities holders and other clients of organization's members;
d) establishing rules and standards for securities transactions which ensure efficient operation of organization's members and transparency in the securities market.
(4) All revenues of a self-regulatory organization shall be used exclusively for providing the fulfillment of the objectives specified in the charter and shall not be subject to distribution among its members.
(5) A self-regulatory organization is entitled:
a) in conformity with this Law, to draft the rules and standards which regulate the members activity in the securities markets;
b) execute supervision and check-up of the rules' implementation and the mentioned standards;
c) to receive information on the results of the compliance examinations of its members carried out in the manner established by the National Commission;
d) in accordance with the qualification requirements of the National Commission, to develop training programs and plans, and to train staff for participants in the securities markets; and
e) execute other rights provided by the legislation.

Article 51. Rules and Standards of a Self-Regulatory Organization

(1) The rules and standards of a self-regulatory organization shall contain the following requirements set for the self-regulatory organization with respect to:
a) personnel's professional qualification (except for technical personnel);
b) professional operation of organization members;
c) restricting price fluctuation on securities market;
d) documentation on record-keeping and reports;
e) normative amount of their own capital of organization members;
f) joining, withdrawing and expulsion of membership of the organization;

g) equal rights of representation in elections to the organization management and participation in running the organization;
h) protection of clients' rights, including the procedure of reviewing claims of the clients of the organization members;
i) obligations of its members to clients and other persons to compensate for the caused damages;
j) compliance with the procedure for reviewing claims of the organization members;
k) supervision and control for inspecting the organization members' compliance with the established rules and standards, including the establishment of a controlling body and a procedure for reviewing the results of inspections by members of the organization;
l) ensuring the information transparency for inspections conducted at the initiative of the organization;
m) sanctions applied to the members of the organization, their officers, and staff members, the recording and application procedure, and enforcement thereof.
(2) Rules and standards of a self-regulatory organization shall not directly or indirectly provide the following:
a) a possibility of discrimination against clients using the services of the organization members;
b) unmotivated discrimination against the organization members;
c) ungrounded restrictions enjoining the organization;
d) restrictions impeding the development of competition among professional participants in the securities markets including regulation of fees and revenues from professional activity of the organization members;
e) regulation of issues beyond the scope of concern and those inconsistent with the operational objectives of the self-regulatory organization; and
f) providing false or erroneous information by the organization members.
(3) Rules and standards of a self-regulatory organization shall take effect following their approval by the National Commission.
(4) Ungrounded refusal to approve the rules and standards of a self-regulatory organization may be appealed against in court in the manner stipulated in the legislation.

Chapter 10. Regulation of the Activity of Professional Participants in the Securities Markets

Article 52. Licensing of the Activity of Professional Participants in the Securities Markets

(1) National Commission confers license for professional activity on securities market stipulated in Article 32.
(2) The license for professional activity on securities market is conferred for 5 years and is non-transferable.
(3) Issuers, pursuant to the legislation, have the right to maintain the registry independently, having the license from the National Commission.
(4) The National Commission or license-issuing organizations shall supervise and control the operation of professional participants in the securities markets and make decisions on revoking the license in the event of violation of the securities legislation.

(5) The National Commission shall send to the National Bank of Moldova notices on the facts of issuing licenses for the securities market activity to banks and other financial institutions, and on revocation of the licenses.
(6) Upon issuing licenses, the applicant brings in writing form to National Commission a requirement together with the documents which approve the compliance with the requirements stipulated in Article 53, inclusively:
a) registration certificate of enterprise at the State Registration Chamber;
b) extract from State Registry of enterprises and organizations;
c) Charter, in two copies, with all amendments and additions registered upon the date of the documents submission, in which, with the exception of banks and financial institutions, shall be indicated the type of activity for which is required the license;
e) documents which confirm election or assignment of the Executive Body (manager);
f) balance sheet on the last reporting date and report with regard to the financial results confirmed by the audit. It is submitted the intermediary balance sheet, confirmed by the Auditing Commission, in the event that the legal person was constituted previously the date established for the elaboration of financial reports;
g) banking and other documents which confirm the creation of the own capital and guarantee funds by the license applicant;
h) copies of qualification certificate of the managers (administrator) and specialists, issued by the National Commission, and the copies of the service records with respective entries;
i) list of affiliated persons of the license applicant, drafted pursuant to the provisions of the effective legislation;
j) information on license applicant which holds a share of 5% and more from the statutory capital of the other professional participants in securities market;
k) documents that confirm the existence of conditions established by the National Commission for the carrying out of the respective activity;
l) confirmation on disposing of software program for the manner of maintenance the registry of nominative securities holders by the registrar and the nominal holder, which corresponds to the requirements established by the legislation and other normative acts of the National Commission;
m) internal rules of activity and rules of constitution and utilisation of the guarantee fund;
n) copy of the National Bank of Moldova authorization – for banks and other financial institutions;
o) procedures and measures on internal control aimed to the provenience and combating of money laundering and financing of terrorism;
p) copy of the payment bill of the tax for the license issuance in the amount established by the legislation;
q) other documents stipulated by the Law.
The documents specified in the subparagraphs a) and c) are submitted in original form or notarized copies.
(6^1) The term of examination of the request shall not exceed 30 days from the date when the request was submitted. The reason of rejection of the request is the non-corresponding of the requester to the requirements envisaged in Article 53.

Article 53. Requirements to Professional Participants on the Securities Markets

(1) Professional participants on securities markets have the right to carry out only professional activity on securities markets, with the exception of banks, license holders for estimation and their assets activity, issuers that maintain the registry by themselves and other participants upon which it is extended the National Commission authority, if the legislation does not stipulate otherwise.
(2) On the bases of licenses issued by the license authorities, the estimation and their assets activity can be cumulated with evaluation activity in other fields.
(3) The legal person obtains license for professional activity on securities markets if it cumulatively meets the following conditions:
a) is founded in the legal form of joint stock companies;
b) the statutory capital is constituted from own resources of the founders (shareholders);
c) the headquarter of the company is the place where there is its Executive Body;
d) the holders of substantial share of the company correspond to the requirements established by the present Law;
e) the subject of the activity is exclusively the services providing in securities market, with the exceptions stipulated in the paragraph (1);
f) the officers of a good report, with university degree adequate to licensed activities and at least 2 years of working experience to guarantee a prudent and correct management and functioning of the professional participant on securities markets;
g) besides the those two officers, has at least two specialists with qualification certificate which have the right to act on the securities market;
h) ensures the existence of the minimum own capital, established by the National Commission depending on carried activity;
i) dispose a guarantee fund envisioned by the present Law, with the exception of banks;
j) has contract concluded with an independent auditor;
k) confirms the fact of corresponding to requirements established by the National Commission with regard to building, hard and software necessary for the carrying out of the activity;
l) disposes the Moldovan National Bank authorization – for banks and other financial institutions.
(4) In the case of banks, prudential exigencies mentioned in the paragraph (3) subparagraph d), f) and h) shall be applied in conformity with the respective provisions of the Law on financial institutions.
(5) The activity of the professional participant on the securities markets branches shall be carry out in the event that these branches are conformed to the provisions of the paragraph (3) subparagraph f) and l).
(6) During its whole professional activity in securities market, professional participant on the securities markets is obliged to:
a) meet the conditions established for the license obtaining, prudential and conduct rules;
b) meet the norms with regard to minimum own capital and guarantee fund, established by the present Law and normative acts of the National Commission;
c) inform or, in the events stipulated by the legislation, preliminarily coordinate with National Commission any amendment of the manner of organization and functioning, in compliance with the provisions of normative acts of the National Commission.

(7) The amount of guarantee fund of the professional participant on securities markets shall constitute at least 30% from the amount of the minimum own capital, with the exception of Central Depository which forms the risk fund of its participants.
(8) The guarantee fund resources are placed in national currency in banking deposits and/or in banking deposit certificates, and/or in state securities.
(9) In the event that, after the using of guarantee fund resources, its amount is reduced under established norms, the professional participant on securities markets is obliged to supply the guarantee fund within 90 days.
(10) The using of guarantee fund resources without National Commission agreement is not admitted until the raying of license holder from state registry of the professional participant on securities markets.
(11) The shareholders of the professional participant on securities markets can be any natural and legal persons. The amount of all shares held by the shareholders residents of countries and/or off-shore zones cannot be more than 5% from the statutory capital of the professional participant on securities markets.
(12) The professional participant on securities markets officers are not entitled to hold directly or indirectly, on its behalf or jointly with its wife/ husband, as well as together with the kin of 1st degree, a substantial share or to be in an officer position to another professional participant on securities market, with the except of position of member of the Stock Exchange Council and member of the Central Depository Council.
(13) The persons mentioned in paragraph (12), as well as the professional participant on securities markets employees, with the exception of Stock Exchange and Central Depository employees, can not be employees of an other professional participant on securities markets.
(14) Brokers and dealers are obliged to become Stock Exchange members, as well as Central Depository participants.
(15) In the purpose of securities markets development, professional participants on securities markets which carry out the activity on this market are entitled, voluntary, to constitute the non-commercial organizations.

SECTION IV. PROTECTION OF INVESTORS' INTERESTS ON THE SECURITIES MARKETS

Chapter 11. Disclosure of Information

Article 54. Disclosure of Information by the Issuer

(1) The joint-stock companies that correspond to one of the criteria envisioned in Article 2 paragraph (2) of Law on Joint-Stock Companies are obliged to disclose information about their securities and financial - economic activity, publishing:

a) annual report for securities;

b) information on events and actions affecting the issuer's financial and economic operation;

The joint-stock companies that will meet the criteria of the interest public entity shall disclose additional information envisioned in legislation.

The joint-stock companies that are in the process of insolvency or dissolution shall not disclose information on securities market.

(2) The annual report on securities shall include the following:
a) information about the issuer, including:
- list of issuer's insiders, information on securities circulation of the issuer, which belong to them;
- list of persons included in the issuer's management bodies, and the amount of their participation in the issuer's statutory capital;
- list of persons affiliated to issuers;
- list of shareholders owning no less than 5 percent of the total amount of the voting shares placed by the issuer;
- list of legal entities where the issuer owns no less than 25 percent of the statutory capital;
- list of the issuer's branches and representative offices;
- information about the issuer's reorganization or the reorganization of its affiliated persons;
b) information about the issuer's financial and economic operation, including:
- balance sheets, profit and loss accounts;
- information on statutory capital;
- information on financial dishonored liabilities;
c) information on the issuer's securities, including:
- number of issued securities, their classes;
- number of purchased and re-purchased securities;
- information about dividends and interest accrued on the issuer's securities.
(3) The National Commission is entitled to set forth additional requirements to the annual report of the issuer.
(4) The annual report shall be drawn up on the basis of the results for each reporting year and published in the mass media publication no later than 10 April of the year following the reporting year.
(5) The annual report shall be presented by the issuer to the National Commission, in the manner and form stipulated by it, but no later than 10 April of the following reporting year. The copy of the report shall be submitted to the securities holders of the issuer at their request.
(6) The events and actions affecting the financial and economic activities of the issuer are the following:
a) reorganization of the issuer and its affiliated persons;
b) adoption, by the authorized management body of the issuer, of the decision on securities issuance, qualification of issuance as executed or non-executed;
c) accrual and payment of yield on issuer's securities;
d) emergence in the issuer's registry of a person owning no less than 5 percent of its voting shares of any class;
e) days of closing the registry, the deadline of fulfilling the issuer's obligations to holders, terms of convening and holding the general meetings;
f) decisions of the general meetings;
g) facts of replacing the independent registrar or an independent auditor of an issuer;

h) facts of the issuer's transactions the size or amount of property on which makes up 25 percent of the issuer's assets as of the date of the transactions;
i) repurchase or purchase by the issuer of the securities previously placed;
j) resignation of the Council, Executive Body, Auditing Commission members;
k) acceleration of honoring the financial substantial obligations of the issuer;
l) any event that can attract the payment incapacity;
m) initiation or finalization of insolvency procedure of the issuer.
(7) Reports on considerable events and actions affecting the issuer's financial and economic operation shall be published by the issuer in compliance with its status within 15 days after the events or actions have taken place.
(8) Procedure and requirements of the information disclosure contained in the public offering prospectus and the report on the results of the public issuance of securities shall be established by the National Commission.
(9) Rules of information disclosure by the issuers that are banks or other financial institutions shall be set by the National Commission in coordination with the National Bank of Moldova.
(10) The joint-stock companies of which securities are registered to Stock Exchange share are obliged to present, in electronic form, the information specified in paragraph (1) to any Stock Exchange to which its securities are quoted.

Article 55. Disclosure of Information by Professional Securities Market Participants
(1) Professional participants on the securities markets shall disclose information about their security transactions in the following cases:
a) the professional participant on the securities markets has performed transactions with the one class of securities of a single issuer within one quarter provided that the number of securities under these transactions was no less than 50 percent of the total number of these securities;
b) the professional participant on the securities markets has performed a one-time transaction with the one class of securities of a single issuer provided that the number of securities under this transaction was no less than 5 percent of the total amount of these securities.
(2) Professional participants on the securities markets shall disclose the specified information containing:
a) the name of the professional participant in the securities markets,
b) the class of securities;
c) their state registration number,
d) the name of the issuer,
e) minimum and maximum price of one security,
f) the number of securities.
g) data of transaction execution.
(3) Professional participant on the securities market disclosures information specified in paragraph (2) no later than five days after the expiry of the appropriate quarter, during which the transaction has been executed, or after the appropriate one-time transaction pursuant to paragraph (1) by notifying the National Commission.

(4) The professional participant on securities market, in the event of public offering on secondary market or in the event of announcement of the purchase or sale prices of securities shall present in writing form to any person, upon his requirement, the accessible information or shall authenticate the absence of this information.
(5) Professional participants on the securities markets shall also disclose other information on its activity in the volume and in the manner envisioned by this Law and the normative acts regulating this activity.

Article 56. Disclosure of Information by Stock Exchanges

(1) The Stock Exchange shall disclose the following information:
a) Stock Exchange rules and the Charter;
b) list of shareholders and list of persons comprising the management bodies of the Stock Exchange;
c) list of the Stock Exchange members;
d) list of securities admitted for circulation in the Stock Exchange;
e) for every transaction executed at the Stock Exchange - the date and the time of the transaction, the class and the state registration number of the securities which are the subject of the transaction, price per security, type of transaction, the number and the share of securities in the transaction of respective class.
(2) Information on results of each session of transaction, disclosed in compliance with the requirements stipulated in paragraph (1) subparagraph e), shall be placed on Stock Exchange web site until the end of the transaction day.
(3) The Stock Exchange shall publish the following information in the exchange bulletin or in other mass media periodicals, stipulated in its Charter and broadcasted within the whole country, as well on its official web site:
a) no less frequently than once a month, the information on securities admitted to circulation at the exchange; and
b) no less frequently than once a week, the information on transactions effected at the exchange.

Article 57. Disclosure by Self-Regulatory Organizations

(1) Self-regulatory organization shall disclose the following information:
a) Charter, rules and standards of a self-regulatory organization;
b) list of persons comprising the management bodies of a self-regulatory organization;
c) list of members of a self-regulatory organization;
e) information on taking sanctions to members of a self-regulatory organization, their officers, and personnel.
(2) Self-regulatory organization shall disclose other information on its operation in the manner and volume stipulated by the National Commission.

Article 58. Disclosure of Information by Securities Owners

(1) The person that purchase 5 per cent and more than total number of securities with voting right and certain class of one issuer shall inform the issuer in writing form within 5 working days from the day of purchase. The same requirements are to be followed by the holder at further purchase of 5 per cent securities of the same class of appropriate issuer.

(2) The person mentioned in paragraph (1) shall disclose the following information about his/her specified securities:
a) name of the person (its denomination);
b) class of securities;
c) their state registration number;
d) name of the issuer;
e) number of securities;
f) relative share of securities belonging to the person in their total amount.

Chapter 12. Privileged Information on the Securities Markets

Article 59. Insiders

(1) The insiders shall include:
a) officers of the issuer, including the members the Council, the Auditing Commission, Executive Body and other management bodies;
b) persons who own, individually or together with its affiliated persons, at least 50 per cent plus one share of the total volume of shares bearing voting rights;
c) persons that by virtue of their position, or under an agreement, or following of agreement negotiation, or following of the transfer of respective right the issuer or other its insider have access to the privileged information of the specified issuer;
d) natural persons who within the last six months were otherwise affected by subparagraphs a), b), or c) of this paragraph.
e) natural persons affiliated to persons mentioned at subparagraphs a)-d).
f) in the event that the persons mentioned in subparagraphs b) and c) are legal persons, insiders are also the natural persons who is officer of these legal person, as well the persons who have access to privileged information of the issuer, by virtue of exercising of their attributions within the respective legal person;
g) any other person who possesses privileged information.
(2) The insiders are obliged to present quarterly to issuer the report on the total number of issuer's securities that they hold. Within 5 days from the getting of insider position, it is obliged to present to issuer the information about its affiliated persons nominated in compliance with Article 3. The changes intervened in the respective information shall be presented to issuers within 5 days from the moment of their appearance.

Article 60. Requirements to Insiders

1) The insider is entitled to purchase or sell issuer's securities:
a) by public offering on secondary market;
b) without the carrying out of public offering on secondary market, but with the condition of conformation of the followings requirements:
- until the transaction execution it was disclosed the information, envisioned in Article 54 paragraphs (6) and (7), which can influence the price of traded securities;
- the securities price is established in conformity with the provisions of Article 21 paragraphs(4)-(4^3).
(2) The insider is not entitled:

a) to transfer the privileged information to any person, with the exception of the event that the transfer of information is carried out by virtue of his professional and working attributions;
b) to recommend or suggest to other persons, on the base of privileged information, the procurement or alienation of securities to which the respective privileged information is referred.
(3) The insider who has violated the provisions of paragraphs (1) and (2) shall reimburse, in compliance with legislation, the damaged party for its losses, including lost profit. The same liability is borne by any other person who used the privileged information received illicitly from the insider.
(4) Provisions of the present Article are applied only to the persons who hold securities placed by the joint-stock companies which correspond to the criteria envisioned in Article 2 paragraph (2) from Law on Joint-Stock Companies.

Chapter 13. Advertising in Securities Markets

Article 61. Requirements to Advertising

(1) Advertisement information in the securities markets shall contain the name (denomination) of the advertiser.
(2) The advertiser who is a professional participant on the securities markets shall include in the advertisement the information on the activities it is engaged in the securities markets. It is prohibited services advertising on securities market activity carried out by a person (resident or non-resident) non-authorized in the securities market field.
(3) Advertisers are not entitled to:
a) advertise unauthenticated or misleading information about their activity and about the securities offered for purchase and sale or other transactions, the conditions of these transactions, and the issuers of securities;
b) advertise the expected amount of yield on securities (except for securities with fixed income) and forecasts of price increase;
c) guarantee in public or otherwise inform investors on the ensuring of securities in question compared to other securities;
d) use advertising for unfair competition by referring to the shortcomings of professional participants on the securities markets involved in the similar activity or of the issuers of similar securities; and
e) refer in the advertising on the advertiser's performance evaluation made by the National Commission or other public authority.
(4) Securities advertising in which it is ignored one of the restrictions specified in paragraph (3), it shall deemed by National Commission as unfaith advertising.
(5) The advertiser shall be held responsible for damages caused by the advertisement in bad faith in conformity with the legislation.
(6) In the event that the advertising is acknowledged to be in bad faith, the contracts of the advertiser with the advertising agent shall be invalid.
(7) The advertiser shall submit to the National Commission a copy of an advertisement within 10 days following its publication.

Article 62. Information that is not an Advertising on Securities Markets

(1) Generally available information about securities and issuers, as well as the information submitted to authorized bodies in connection with their securities market regulation function in compliance with legislation shall not be considered advertising on securities markets.

(2) Information about the issuance of securities and calculated and/or paid dividends is advertising, exception the cases stipulated in the Law on Joint-Stock Companies and in the present Law.

Article 63. Ban on Securities Advertising

(1) Securities shall not be advertised:

a) prior to the registration of public offerings of respective securities in compliance with this Law; and

b) during suspension of the issuance.

(2) Contracts on securities advertisement shall be deemed invalid in the event that are violated the provisions of paragraph (1) subparagraph a).

(3) The National Commission is entitled to file a suit for the damage caused to investors as a result of failure to observe the provisions of paragraph (1).

Article 64. Additional Grounds for Termination of the Contracts on Securities Advertisement

(1) Deeming the securities issuance invalid and/or their issue defective shall serve as the additional ground, on those provided by the present Law, for termination of the contract on securities advertisement.

(2) A contract on securities advertisement the issuance of which is deemed invalid and/or the issue of which is deemed defective is terminated upon notification of the advertising agent by the advertiser.

(3) Advertising agent is entitled to request from an advertiser reimbursement for losses caused as a result of terminating the contract on advertisement.

Chapter 14. Responsibilities for Violations of Legislation in the Securities Markets

Article 65. Manipulations in the Securities Markets

(1) Manipulation in the securities markets shall be banned.

(2) Manipulations in the securities market are considered:

a) any practices, actions and activities aimed at artificially increasing, maintaining, lowering the price or volume of capital circulating on the securities market;

b) actions undertaken by parties in transactions, as a result of which the offer/demand ratio is forged, the securities price is being artificially assessed or changed;

c) the arbitrary determination of the initial listing price of securities, which is not supported by the financial and economic results of the issuer, value of assets, profitableness and volume of production;

d) carrying out demonstrative transactions, which do not have any economic reason, with the aim of influencing the listing price of securities;

e) cross transactions (masked securities exchanges) have the aim of creating an illusion of active negotiations or increased demand for certain securities and which conduct to the forging of the real market price of them. A cross transaction is one or more stock exchange orders for purchase or sale, placed by members of the stock exchange in the same period of time, at similar values for purchase and sale, according to this Law;
f) carrying out civil transactions with the aim of withdrawing securities from the organized market with the result of forging the real market price of securities;
g) active negotiations of certain securities by the same nominal investors at increased/decreased prices or carrying out false transactions in order to create an illusion of active negotiations, when there is no public interest in the securities concerned;
h) transactions involving insiders, violating the provisions of the present law;
i) disseminating through any means of information that create or could create false or erroneous indications as to the supply, demand or price of securities, including disseminating of rumors and false or erroneous news.
(3) The fact of manipulations in the securities market it is applied administrative and penal sanctions in compliance with the provisions of legislation.
(4) Any person involved in manipulation in the securities markets is obligated to reimburse the damaged party for losses, including lost profit, unless the person proved that the damaged party had been aware about the manipulation.
(5) A professional participant on securities market bears responsibility, pursuant to the legislation, for manipulations in the securities market.

Article 66. Other Violations of the Legislation on the Securities Markets

Other violations on the securities markets also include:
a) carrying out unregistered public offer of securities to National Commission on the primary or secondary markets;
b) failure to introduce during the initial public offering appropriate amendments and additions to the public offering prospectus and other documents submitted for the registration of the public offering in the event that it was discovered that they are inconsistent with the legislation requirements;
c) providing false information or concealing information requested by the National Commission;
d) registry maintenance with violation of the established requirements an rules;
e) failure to meet by issuers, professional participants on the securities markets and their self-regulatory organizations and other professional participants on securities market, the forms for reporting, as well term of publication in the open press and their submission to the National Commission as set forth in the legislation;
f) failure to meet by professional participants on the securities markets the requirement to the clients' access to the available information about their activities;
g) other violations stipulated in the legislation and normative acts of the National Commission.

Article 67. Responsibility for Violations of Legislation on the Securities Markets

(1) Persons who violate this Law and other normative acts that regulate the activity on securities markets shall be held responsible in the manner stipulated in the civil, administrative and criminal legislation.
(2) Damage caused as a result of the violations of the legislation that regulates the activity on securities markets is subject to reimbursement in the manner envisioned in the civil legislation.
(3) Voting right afferent to respective shares is suspended in the event of obtaining or increasing of the share in the statutory capital of one professional participant on securities market with violation of present Law provisions and other legislative acts. These shares are taking into consideration at the establishment of the general shareholders meeting quorum, but do not participate at the adoption of decisions. The respective shareholders are obliged, within 3 months, to obtain National Commission's permission or to sell shares obtained without permission. If, after expiration of this term, shall not be given the permission or the shares shall not be sold, the professional participant on securities market is obliged to cancel the respective shares, to issue new ones in the same number and to sell them, transferring the cash at the disposal of the canceled shares owner after the retention of supported expenses.
(4) If, because of lack of buyers, the new issued shares were not sold or were sold only just a part of them, the professional participant on securities market shall reduce its statutory capital with the amount of canceled shares.

Chapter 15. Final and Interim Provisions

Article 68. Taking effect of the present Law
(1) The Law shall take effect upon its publication.
(2) Issuers of securities:
- which are in the process of securities issuance as of the moment of effectiveness of this Law, shall complete the issuance in the manner valid before the Law has taken effect;
- before January 1, 2001, shall introduce in their foundation documents, amendments and additions resulting from this Law.
(3) Before January 1, 2000, professional participants on the securities markets, except for trust companies and investment funds shall
- bring their foundation documents in compliance with this Law;
- submit to the National Commission documents necessary for registration of the license for professional activities on the securities markets.
(4) In the event that the professional participant on the securities market is refused to be registered the license, it is liquidated pursuant to the procedure stipulated by the legislation in force.
(5) Before July 1, 2000 self-regulatory organizations shall:
- bring their statutory documents in compliance with the requirements of this Law
- submit to the National Commission the documents on obtaining a license of a self-regulatory organization.
(6) Within 3 months after present law takes effect, the stock exchange will bring its foundation acts into the compliance with this law. Persons, who lost pursuant to the

present law, their membership of the stock exchange are obliged to sell their shares, pursuant to the stipulations of Article 44 paragraph 5.
(7) Applications for a license for professional activities on the securities markets, for registration of the securities issuance, and a permit to hold open subscription to securities, being reviewed by the National Commission at the moment the Law takes effect, shall be returned to the applicants for bringing them and the attached documents in compliance with this Law.
(8) The National Commission shall enforce the compliance of issuers, professional participants on the securities markets, and self-regulatory organizations, and other professional participants on the securities markets with provisions of this Article.
(9) Within 3 months the Government shall:
- submit the Parliament for examination proposals related to bringing this Law into compliance with the legislation, including draft Law on trust management and trust companies on the securities market;
- will bring its normative acts into the compliance with the present Law.
(10) The trust companies, before January 1, 2006 shall:
- bring their statutory documents in compliance with the provisions of Civil Code, present Law and other normative acts of the National Commission concerning the trust activity;
- inform the trust founders, by recommendatory letters, about their accounts and will propose them, by additional documents, amendments and additions to institution agreement of the trust previously concluded with the reason to conform it to form-agreement approved by the National Commission.
(11) Amendments and additions on institution agreement of the trust, reflected in additional form-documents, approved by the National Commission, are accepted or refused in writing form by the trust founder. In the event that the trust founder does not carry forth expressly on additional form-document, the institution agreement of the trust shall be applied in compliance with the legislation and form-agreement provisions, approved by the National Commission
(12) Other particularities of the trust companies activity conformity with the legislation provisions are set forth by the National Commission.

(14) On the date of the taking effect of the present Law, it is revoked:
Law on Securities Circulation and Stock Exchanges No.1427-XII of May 18, 1993;
Parliamentary Decree on Implementation of the Law on Securities Circulation and Stock Exchanges No.l428-XII of May 18, 1993;
Law on Introduction of Amendments and Additions to the Law on Securities Circulation and Stock Exchanges No.491-XIII of June 8, 1995;
Article XIX of Law on Amendments and Additions to Some Legal Acts No.788-XIII of March 26. 1996;
Article IV of Law on Amendments and Additions to Some Legal Acts No.827-XIII of May 3, 1996.

Speaker of the Parliament Dumitru Diacov

- **Law No 62-XVI on Foreign Exchange Regulation (21.03.2008) (Excerpts)**

CONTENT

CHAPTER I
GENERAL PROVISIONS

Article 1. Object of the Law
This Law establishes the general principles of foreign exchange regulation in the Republic of Moldova, the rights and the obligations of residents and non-residents related to the foreign exchange field, as well as the powers of the authorities of foreign exchange control and the competence of agents of foreign exchange control.

Article 2. Foreign Exchange Legislation
(1) The foreign exchange legislation of the Republic of Moldova shall include this Law, the Law no.548-XIII of July 21, 1995 on the National Bank of Moldova, other legislative acts in the part that regulates the relations relevant to foreign exchange regulation, the normative acts worked out in pursuance of the mentioned legislative acts, including the normative acts of the National Bank of Moldova, as well as the international treaties in which the Republic of Moldova acts as a party.
(2) In the event that an international treaty in which the Republic of Moldova acts as a party establishes provisions other than those stipulated in the foreign exchange legislation of the Republic of Moldova, the provisions of the international treaty shall be applied.

Article 3. Main Notions
For the purpose of this Law the following main notions shall be used:

1) foreign exchange regulation – the set of legal norms regarding the performance and reporting of foreign exchange operations, licensing and carrying out of the activity of foreign exchange entities, as well as those concerning the foreign exchange control, established in order to implement the state's foreign exchange policy and ensure the internal foreign exchange market stability;

2) foreign exchange operations:

a) operations related to the passing of the right of property and of other rights (without receiving other assets in exchange) over foreign currency, securities and payment instruments expressed in foreign currency, as well as the operations within which foreign currency and payment instruments expressed in foreign currency are used as means of payment;

b) operations related to the passing of the right of property and of other rights (without receiving other assets in exchange) over national currency, securities and payment instruments expressed in national currency, as well as the operations within which national currency and payment instruments expressed in national currency are used as means of payment;

c) import and export into /from the Republic of Moldova of foreign exchange values;

d) unilateral transfers of residents and non-residents into /from the Republic of Moldova;

e) unilateral transfers in foreign currency of residents and non-residents on the territory of the Republic of Moldova, as well as the unilateral transfers in national currency of nonresidents on the territory of the Republic of Moldova.

Foreign exchange operations shall imply, depending on the case, the conclusion and performance of transactions and operations, as well as the payments and transfers that are received /made within these transactions and operations.

Foreign exchange operations shall not include the operations indicated under item a), which are performed between non-residents outside the territory of the Republic of Moldova; the operations indicated under item b), which are performed between residents on the territory of the Republic of Moldova, as well as between non-residents outside the territory of the Republic of Moldova;

3) unilateral transfers – transfers in foreign currency and national currency of residents and non-residents that do not imply the passing of the right of property and other rights over foreign currency, as well as over national currency;

4) national currency of the Republic of Moldova (hereinafter - national currency):

a) cash in Moldovan Lei, namely banknotes and coins (including those containing precious metals) issued by the National Bank of Moldova, in circulation, withdrawn or to be withdrawn from circulation, but accepted for exchange by the National Bank of Moldova;

b) funds available on accounts in Moldovan Lei opened with licensed banks, as well as with banks and other financial institutions from abroad (which have the right to accept demand and /or time deposits, or the equivalents thereof, and carry out other financial activities);

5) foreign currency shall mean the national currency of a foreign state or the currency of a monetary union of foreign states, as well as the international monetary and settlement units, represented by, as follows:

a) cash in foreign currency, namely banknotes and coins (including those containing precious metals) issued by the authorized body of a foreign state or of a monetary union

of foreign states, in circulation, withdrawn or to be withdrawn from circulation, but accepted for exchange by the authorized bodies;
b) funds available in national currency of a foreign state or in the currency of a monetary union of foreign states, as well as in international monetary and settlement units, on accounts opened with licensed banks, as well as with banks and other financial institutions from abroad (which have the right to accept demand and /or time deposits, or the equivalents thereof, and carry out other financial activities);
6) payment instruments – cards, bills of exchange, cheques and other similar instruments that represent monetary claims on their issuers;
7) foreign exchange values - cash in foreign currency and national currency, materialized securities and payment instruments expressed in foreign currency and national currency;
8) licensed bank – the bank holding the license for carrying out financial activities, issued by the National Bank of Moldova under the Law on financial institutions no.550-XIII of July 21, 1995;
9) residents:
a) individuals (citizens of the Republic of Moldova, foreign citizens and stateless persons) which have a permanent residence in the Republic of Moldova, as proved by corresponding identity document, including such individuals who are staying temporarily abroad (hereinafter – resident individuals);
b) individuals practicing, under the legislation of the Republic of Moldova, a certain type of activities, namely, individuals carrying out entrepreneurial activity based on entrepreneur's patent and individuals carrying out professional lawyer's or notary's activity based on the respective license (hereinafter – resident individuals practicing a certain type of activity);
c) legal entities (of public and private law), established under the legislation of the Republic of Moldova, located in the Republic of Moldova (hereinafter – resident legal entities);
d) the representative offices located abroad of the resident legal entities, meaning any separate subdivisions of such entities, representing them and protecting the interests thereof;
e) enterprises and organizations without legal entity status, established under the legislation of the Republic of Moldova, located in the Republic of Moldova;
f) branches of non-residents specified under items c) and d) sub-paragraph 10), established under the legislation of the Republic of Moldova, located in the Republic of Moldova, meaning any separate subdivisions of the specified non-residents fulfilling some of the attributions thereof;
g) diplomatic missions, consular offices and other official representative offices of the Republic of Moldova abroad;
10) non-residents:
a) individuals who are not residents in accordance with the provisions under item a) sub-paragraph 9), including such individuals who are staying temporarily in the Republic of Moldova (hereinafter – non-resident individuals);
b) individuals practicing entrepreneurial activity or other activities under the legislation of foreign states (hereinafter – non-resident individuals practicing a certain type of activity);

c) legal entities (of public and private law) established under the legislation of foreign states, located abroad (hereinafter – non-resident legal entities);
d) enterprises and organizations without legal entity status, established under the legislation of foreign states, located abroad;
e) registered representative offices located in the Republic of Moldova of non-residents specified under items c) and d), meaning any separate subdivisions of specified nonresidents, representing them and protecting the interests thereof;
f) branches located abroad of resident legal entities, meaning any separate subdivisions of such entities fulfilling some of the attributions thereof;
g) diplomatic missions, consular offices and other official representative offices of foreign states accredited in the Republic of Moldova;
h) international organizations, established under the international treaties, that enjoy diplomatic or consular immunities and privileges;
i) representative offices of international organizations accredited in the Republic of Moldova;
11) exchange rate - the rate of exchange of the foreign currency against national currency or another foreign currency.

CHAPTER II
FOREIGN EXCHANGE OPERATIONS
Section 1
General Provisions

Article 4. General Provisions on Foreign Exchange Operations
(1) The foreign exchange operations shall be divided into foreign exchange operations performed between residents and non-residents, between residents, between non-residents, as well as into foreign exchange operations unilaterally performed by residents or by nonresidents.
(2) The foreign exchange operations between residents and non-residents shall be divided into current foreign exchange operations and capital foreign exchange operations.
(3) The foreign exchange operations shall be subject to the authorization of the National Bank of Moldova if provided by this Law.
(4) The authorization of foreign exchange operation represents the permission of the National Bank of Moldova to perform foreign exchange operation by issuing the respective authorization.
(5) The payments and transfers within foreign exchange operations may be received /made in national currency or foreign currency, unless this Law or other legislative acts stipulate otherwise.
(6) The payments and transfers within foreign exchange operations may be received /made, in accordance with the requirements of the foreign exchange legislation, in cash or without cash, by using payment instruments inclusively.
(7) In the event that this Law provides for the performance of foreign exchange operations without restrictions, it means the performance thereof without restrictions from the point of view of foreign exchange regulation, presuming the observance by residents and non-residents of the provisions related to the foreign exchange operations established in other legislative acts.

The requirements of foreign exchange legislation regarding the way of receiving /making payments and transfers within foreign exchange operations (in cash or cashless, with or without the use of payment instruments), the currency that may be used when receiving /making the specified payments and transfers (national currency or foreign currency), the requirement of such payments' and transfers' confirmation by justifying documents, shall not represent restrictions.
(8) The legal norms related to the foreign exchange regulation field, established for resident legal entities and non-resident legal entities shall also be applied, respectively, to residents specified in items b), d) – g) sub-paragraph 9) Article 3 and to non-residents specified in items b), d) – i) sub-paragraph 10) Article 3 of this Law, unless this Law, the normative acts of the National Bank of Moldova or the nature of legal relations provide otherwise.
(9) Residents shall have the right to open accounts in foreign currency with licensed banks.
The National Bank of Moldova shall establish the procedure of the managing, within foreign exchange operations, of residents' accounts in national currency and foreign currency opened with licensed banks.
(10) The transmission between residents on the territory of the Republic of Moldova of securities expressed in foreign currency as a result of donation, inheritance /legacy or in cases of legal succession provided for by the legislation of the Republic of Moldova shall be made without restrictions.
The transmission between non-residents on the territory of the Republic of Moldova of securities expressed in national currency and foreign currency as a result of donation, inheritance /legacy or in cases of legal succession provided for by the legislation shall be made without restrictions.
(11) The trade of coins containing precious metals on the territory of the Republic of Moldova, as well as other transactions and operations, the object of which are coins containing precious metals shall be made under the legislation, which regulates the field of precious metals and articles thereof.

Section 2
Current Foreign Exchange Operations

Article 5. Provisions on Current Foreign Exchange Operations
(1) Current foreign exchange operations shall mean the foreign exchange operations between residents and non-residents, performed for purposes other than capital transfer.
(2) Payments and transfers within current foreign exchange operations shall include, without being limited to the following:
a) payments within the international trade of goods and services, including works, as well as payments and transfers within bank credit facilities related to international trade (for instance, letters of credit, overdrafts, overnights` credits, credit cards) with initial repayment period not exceeding one year;
b) payments representing loans' /credits' interest and net income from other investments;
c) payments on loans' /credits' repayment or amortization of direct investments;
d) transfer of funds for the purpose of family maintenance expenses (hereinafter – family expenses);

e) payments and transfers within other operations, which are not of the character of capital foreign exchange operations, for instance: payments related to medical treatment, trip expenses, study expenses; payments related to duties and taxes, except for the duties and taxes related to inheritances; penalties; payments related to court expenses; payments and transfers related to technical assistance; payments related to social insurance, including pensions; payment of member fees in international organizations, public, religious or other nonprofit organizations.

Section 3
Capital Foreign Exchange Operations

Article 6. General Provisions on Capital Foreign Exchange Operations

(1) Capital foreign exchange operations shall mean the foreign exchange operations between residents and non-residents, as well as some unilateral transfers into /from the Republic of Moldova, made for the purpose of capital transfer.

(2) Capital foreign exchange operations shall include the foreign exchange operations, other than those specified in paragraph (2) Article 5, resulting from, as follows:

a) operations related to direct investments;

b) real estate operations;

c) operations with financial instruments;

d) commercial loans /credits;

e) financial loans /credits;

f) guarantees;

g) operations in current and deposit accounts with financial institutions;

h) operations related to life insurance;

i) personal character operations;

j) import and export of foreign exchange values;

k) other capital operations.

(3) The provisions of section 3 of this Chapter, except for the paragraph (9) of this Article, shall not be applied to foreign exchange operations related to import and export of foreign exchange values, which are regulated by the provisions of Chapter III of this Law.

(4) Capital foreign exchange operations implying the inflow of capital into the Republic of Moldova shall be performed without restrictions, unless otherwise provided for by the legislation of the Republic of Moldova, which regulates the field relevant to the respective capital foreign exchange operations.

(5) To the capital foreign exchange operations, which imply the inflow of capital into the Republic of Moldova in the event of the residents receiving from non-residents loans/credits and guarantees specified in paragraph (6), shall be applied the notification regime, with the purpose of recording by the National Bank of Moldova of the obligations arising from the mentioned operations, as a result of the notification of these operations by residents.

(6) Loans /credits and guarantees shall be subject to notification in cases, as follows:

1) interest-bearing commercial loans /credits, except for the receiving of the loan /credit from the non-resident factor, by the adhering entity (resident supplier) within the factoring operation, in the event that the non-resident factor assumes the risk of insolvency of the nonresident debtor for the undertaken debt;

2) financial loans /credits, except for the following:
a) interbank credits with the initial repayment period under one year;
b) loans /credits received from non-residents by using credit cards issued by nonresidents upon residents' request;
3) guarantees issued by the non-resident guarantor based on the underlying transaction between two residents.
The National Bank of Moldova shall establish the conditions and the procedure of the notification of loans /credits and guarantees.
(7) Capital foreign exchange operations which imply the outflow of capital from the Republic of Moldova shall be performed without the authorization of the National Bank of Moldova, unless otherwise provided for by this Law. These operations shall be performed in compliance with the legislation of the Republic of Moldova, which regulates the field relevant to the respective capital foreign exchange operations.
(8) The notification regime shall not be applied to capital foreign exchange operations, if such operations fall under the Law no.419-XVI of December 22, 2006 on public debt, state guarantees and state on-lending.
The authorization regime shall not be applied to capital foreign exchange operations in which the Ministry of Finance or the National Bank of Moldova takes part, to opening of accounts abroad by public institutions, as well as to capital foreign exchange operations performed on the account of the national public budget funds.
(9) The performance of a capital foreign exchange operation subject to authorization /notification which implies the performance of another capital foreign exchange operation, which, depending on the case, is also subject to authorization /notification, entails the mandatory authorization /notification for both operations.
(10) With the view of applying Section 3 of this Chapter, legal undertaking shall mean any enterprise or organization (with or without legal entity status), the branches thereof, established under the legislation of the Republic of Moldova or the legislation of another state, as well as any individual practicing a certain type of activity under the legislation of the Republic of Moldova or the legislation of another state.

Article 7. Operations related to Direct Investments
(1) **Operations related to direct investments** shall mean the operations concerning the performance of investments for the purpose of establishing or maintaining lasting economic links between the person investing the capital (investor) and the legal undertaking in which this capital is invested (hereinafter – direct investments), as well as operations related to the liquidation /sale of direct investments.
(2) With the view of applying this Article, lasting economic links shall mean the relationships established due to the holding in a legal undertaking of a participation constituting 10% or more in the equity (or their equivalent) or from the number of participations with voting right of the legal undertaking; or of a participation, which could allow exercising by the investor of a considerable influence upon the management or the activity of the legal undertaking in which the capital is invested.
(3) Direct investments shall be made in the following way:
a) establishment of a legal undertaking, totally belonging to the investor that provides equity (or their equivalent); the increase by the investor of the equity (or their equivalent)

of the legal undertaking, totally belonging to the investor; integral purchase of an existent legal undertaking;
b) participation in a new or existent legal undertaking, for the purpose of establishing or maintaining lasting economic links;
c) extension and reception of long-term loans /credits (for a period over 5 years), for the purpose of establishing or maintaining lasting economic links;
d) construction of buildings or other real estate, purchase of land, buildings or other real estate necessary for carrying out the activity of legal undertaking that is the object of direct investment;
e) reinvestment of income from direct investments, for the purpose of maintaining lasting economic links.
(4) Operations related to direct investments shall be classified into those performed, as follows:
a) by non-residents in the Republic of Moldova;
b) by residents abroad.

Article 8. Real Estate Operations
(1) **Real estate operations** shall mean the operations (other than those specified in Article 7), which are performed with the purpose of construction of buildings or other real estate, purchase of land, buildings or other real estate, for gain or personal use, as well as operations related to sale of such real estate.
(2) Real estate operations shall be classified into those performed, as follows:
a) by non-residents in the Republic of Moldova;
b) by residents abroad.

Article 9. Operations with Financial Instruments
(1) Operations with financial instruments shall mean, as follows:
a) operations with financial instruments usually dealt in on the capital market (other than those included in items a) and b) paragraph (3) Article 7, as well as items b) and c) of this paragraph), namely with shares or other securities of a participating nature, bonds, other debt securities and financial derivatives, with the initial maturity of over 1 year, as a rule;
b) operations with financial instruments usually dealt in on the money market, namely with government securities, certificates of deposit, financial derivatives, debt securities and other instruments specific for the money market, with the initial maturity not exceeding one year, as a rule;
c) operations within units of collective investment undertakings, namely with share certificates, account entries or other forms of confirmation of the investor's interest in investment funds or other undertakings established for the purpose of making collective investments in financial instruments and other assets.
(2) For the purpose of this Law:
1) the admission of financial instruments to the capital market shall mean, as follows:
a) issue by public offer or sale by the issuer;
b) introduction on a stock exchange (listing or non-listing);
2) the admission of financial instruments to the money market shall mean, as follows:
a) issue by public offer or sale by the issuer;

b) access to the money market, in accordance with specific procedures, depending on the case;
3) financial derivatives shall mean the financial instruments, the price of which depends on the price of other financial instruments, goods, exchange rate or interest rate;
4) domestic financial instruments shall mean the financial instruments issued by residents;
5) foreign financial instruments shall mean the financial instruments issued by nonresidents.
(3) Operations with financial instruments usually dealt in on the capital market shall include, as follows:
a) admission of domestic financial instruments to the foreign capital market;
b) admission of foreign financial instruments to the capital market of the Republic of Moldova;
c) purchase /sale by non-residents of domestic financial instruments dealt in on the stock exchange or not dealt in on the stock exchange;
d) purchase /sale by residents of foreign financial instruments dealt in on the stock exchange or not dealt in on the stock exchange.
(4) Operations with financial instruments usually dealt in on the money market shall include, as follows:
a) admission of domestic financial instruments to the foreign money market;
b) admission of foreign financial instruments to the money market of the Republic of Moldova;
c) purchase /sale by non-residents of domestic financial instruments ;
d) purchase /sale by residents of foreign financial instruments.
(5) Operations with units of collective investment undertakings shall include, as follows:
a) admission of units of resident collective investment undertakings to the foreign capital market;
b) admission of units of non-resident collective investment undertakings to the capital market of the Republic of Moldova;
c) purchase /sale by non-residents of units of resident collective investment undertakings dealt in on the stock exchange or not dealt in on the stock exchange;
d) purchase /sale by residents of units of non-resident collective investment undertakings dealt in on the stock exchange or not dealt in on the stock exchange.
(6) The purchase by residents of foreign financial instruments within the admission thereof to the capital market of the Republic of Moldova through the sale by the issuer shall be made with the authorization of the National Bank of Moldova, except for the cases provided for in paragraphs (11) and (12).
(7) The purchase by residents of foreign financial instruments on the over the counter capital market of the Republic of Moldova, as well as on the stock exchange of the foreign capital market or on the over the counter foreign capital market shall be made with the authorization of the National Bank of Moldova, except for the cases provided for in paragraphs (11) and (12).
(8) The provisions stipulated in paragraphs (6) and (7) shall be also applied to the operations with units of collective investment undertakings.
(9) The purchase by residents of foreign financial instruments within the admission thereof to the money market of the Republic of Moldova shall be made with the

authorization of the National Bank of Moldova, except for the cases provided for in paragraphs (11) and (12).
(10) The purchase by residents of foreign financial instruments on the money market of the Republic of Moldova, as well as on the foreign money market shall be made with the authorization of the National Bank of Moldova, except for the cases provided for in paragraphs (11) and (12).
(11) Without the authorization of the National Bank of Moldova the licensed banks are allowed to perform the following operations with foreign financial instruments:
a) purchase, including within the admission, of government securities issued or guaranteed by the governments of the member-states of the Organization for Economic Cooperation and Development (OECD);
b) purchase, including within the admission, of financial derivatives, the price of which depends on the exchange rate, the price of financial instruments, the purchase of which does not require the authorization of the National Bank of Moldova, as well as the interest rate;
c) purchase, including within the admission, of shares or other securities of a participating nature constituting less than 10% in the equity or from the number of shares or other securities of a participating nature with voting right of the legal undertaking which is to be established /already existing abroad.
(12) Without the authorization of the National Bank of Moldova the insurance companies, pension funds, investment funds are allowed to perform the following operations with foreign financial instruments:
a) purchase, including within the admission, of government securities issued or guaranteed by the governments of member-states of the Organization for Economic Cooperation and Development (OECD);
b) purchase, including within the admission, of financial derivatives, the price of which depends on the price of financial instruments, the purchase of which does not require the authorization of the National Bank of Moldova, as well as the interest rate;
c) purchase, including within the admission, of shares or other securities of a participating nature constituting less than 10% in the equity or from the number of shares or other securities of a participating nature with voting right of the legal undertaking which is to be established /already existing abroad.
(13) The sale of foreign financial instruments by residents shall be made without the authorization of the National Bank of Moldova.
(14) The purchase /sale by residents of domestic financial instruments issued on a foreign capital market or a foreign money market ranks as the purchase /sale by residents of foreign financial instruments and shall be made without the authorization of the National Bank of Moldova.

Article 10. Commercial Loans /Credits
(1) **Commercial loans /credits** shall mean, as follows:
a) contractual loans /credits related to commercial transactions in goods and services in which a resident is participating (advance payments, payments by installments in respect to work in progress or payments upon the order of goods' /services' suppliers, as well as payments within a certain period from the delivery of goods /rendering of services);

b) financing of transactions specified under item a) in which a resident is participating, by loans /credits provided by banks and /or by organizations specialized in granting of loans /credits;
c) factoring operations, with underlying transactions specified under item a) in which a resident is participating.
(2) Commercial loans /credits shall be, as follows:
a) short-term (not exceeding 1 year);
b) medium-term (over 1 year, but not exceeding 5 years);
c) long-term (over 5 years).
(3) Commercial loans /credits shall be classified into those granted, as follows:
a) by non-residents to residents;
b) by residents to non-residents.

Article 11. Financial Loans /Credits
(1) **Financial loans /credits** shall include loans /credits (other than those specified in Article 7, Article 10 and Article 15) on a contractual basis, which represent reimbursable financing of every kind, including the financing related to commercial transactions in goods and services in which no resident is participating and any manner in which the creditor pays off or takes over an obligation of the debtor towards a third party. This category shall also include mortgage loans /credits, consumer loans /credits, as well as financial leasing.
(2) Financial loans /credits shall be, as follows:
a) short-term (not exceeding 1 year);
b) medium-term (over 1 year, but not exceeding 5 years);
c) long-term (over 5 years).
(3) Financial loans /credits shall be classified into those granted, as follows:
a) by non-residents to residents;
b) by residents to non-residents.
(4) Granting of financial loans /credits by residents to non-residents shall be made with the authorization of the National Bank of Moldova, except for the financial leasing, as well as interbank credits with the initial repayment period not exceeding 1 year.

Article 12. Guarantees
(1) **Guarantees** shall mean the manner and the instruments by which the fulfillment of contractual commitments by debtor towards the creditor is guaranteed, including by third parties, and shall include: bank guarantee, fidejusson, aval, guarantee deposit, right of pledge, etc.
(2) Guarantees shall be classified into those provided, as follows:
a) by non-residents to residents;
b) by residents to non-residents.
(3) Providing of guarantees by residents to non-residents shall be made with the authorization of the National Bank of Moldova in the following cases:
a) providing by a resident (other than a licensed bank) to a non-resident of a guarantee based on the transaction between non-residents;
b) providing by a resident (other than a licensed bank) to a non-resident of a guarantee in the form of a guarantee deposit.

Article 13. Operations in Current and Deposit Accounts with Financial Institutions

(1) **Operations in current and deposit accounts with financial institutions** shall mean the opening with banks and other financial institutions (which have the right to accept demand and /or time deposits, or the equivalents thereof, and carry out other financial activities) of current and deposit accounts in foreign currency or in national currency and performance of operations through such accounts.

(2) Current and deposit accounts with banks and with other financial institutions shall be classified into those opened, as follows:

a) by non-residents in the Republic of Moldova;

b) by residents abroad.

(3) Opening of current and deposit accounts with licensed banks by non-residents shall be made without restrictions.

The National Bank of Moldova shall establish the procedure of opening, managing and closing of non-residents' accounts with licensed banks.

(4) Opening of current and deposit accounts by residents abroad shall be made with the authorization of the National Bank of Moldova, except for the cases specified in paragraph (5).

The National Bank of Moldova shall issue the respective authorizations in the cases set up by it.

(5) Residents may open current and deposit accounts abroad without the authorization of the National Bank of Moldova in case of:

a) opening of the accounts by licensed banks on their name, necessary for carrying out financial activities;

b) opening of the accounts by residents with the purpose of performing abroad operations related to direct investments and operations with real estate, in the event that opening of such accounts by investors (on their name) is compulsory under the legislation of the foreign state where the operations are carried out;

c) opening of the accounts in the name of representative offices of resident legal entities, with the purpose of ensuring the performance of such representative offices' activity;

d) opening of the accounts by resident individuals for the period of their temporary stay abroad.

(6) The National Bank of Moldova shall have the right to set up the operations that may be performed on /from the accounts opened by residents abroad, the limits of balances and the period of funds maintenance on such accounts, other conditions related to the managing and closing of these accounts, as well as the requirement of entering (upon accounts' closing) of the balances of the respective accounts on the accounts opened with licensed banks.

Article 14. Operations related to Life Insurance

(1) **Operations related to life insurance** shall mean the operations related to the conclusion of life insurance contracts, as well as the performance thereof by making transfers related to the payment of insurance premiums and of insured amounts.

(2) Operations related to life insurance shall be classified into those arising from, as follows:

a) life insurance contracts concluded between non-residents and resident life insurance companies;
b) life insurance contracts concluded between residents and non-resident life insurance companies.

Article 15. Personal Character Operations
(1) **Personal character operations** shall mean the operations between resident individuals and non-resident individuals, as well as some unilateral transfers of individuals into /from the Republic of Moldova, including, as follows:
a) loans;
b) donations in different forms (such as: gift, present, grant);
c) inheritances and legacies;
d) settlement of debts by immigrants in their previous country of permanent or temporary residence;
e) transfers abroad, during the period of stay in the Republic of Moldova, of amounts representing non-residents' savings;
f) transfers abroad by resident individuals who are establishing their permanent residence abroad.
(2) Personal character operations specified under item a) and b), paragraph (1) shall be performed with the authorization of the National Bank of Moldova in case of granting by resident individual to non-resident individual of:
a) a loan in the total amount of over 1000 euro (or their equivalent);
b) a donation in the total amount of over 1000 euro (or their equivalent).

Article 16. Other Capital Operations
(1) **Other capital operations** shall include, as follows:
a) duties and taxes related to inheritances;
b) damages resulting from capital foreign exchange operations;
c) refunds in case of contracts' cancellation or termination or refunds uncalled-for payments resulting from capital foreign exchange operations;
d) assignment /cession of rights on inventions, industrial designs and models, trade marks and on other objects of intellectual property in sciences and innovations;
e) gains from gambling;
f) transfers of funds required for provisions of services (not included in Article 13);
g) other capital operations (such as donations etc.) which cannot be included in the foreign exchange operations provided for in Articles 7-15.
(2) Operations related to making donations by residents to non-residents shall be performed with the authorization of the National Bank of Moldova in the following cases:
a) offering by resident individual to non-resident legal entity a donation in the total amount of over 1000 euro (or their equivalent);
b) offering by resident legal entity to non-resident individual/ legal entity a donation in the total amount of over 10000 euro (or their equivalent).
(3) Operations, specified under item f) paragraph (1), related to transfers of funds by residents to non-residents, required for provision of services by non-residents with the view of carrying out foreign exchange operations, subject to authorization under the

provisions of this Law, shall be performed based on the authorizations issued by the National Bank of Moldova for carrying out foreign exchange operations subject to authorization.
Operations, specified under item f) paragraph (1), related to transfers of funds by residents to non-residents, required for provision of services by non-residents, prior to the conclusion of transactions, for the performance of which such funds are destined for, shall be performed with the authorization of the National Bank of Moldova.

Section 4
Payments and Transfers

Article 17. Payments and Transfers within Current and Capital Foreign Exchange Operations

(1) Payments and transfers within the current foreign exchange operations shall be received /made by residents and non-residents without restrictions.
(2) Payments and transfers within capital foreign exchange operations shall be received /made by residents and non-residents without restrictions in the event that the foreign exchange operations, from which such payments and transfers arise, are made in compliance with the requirements of this Law.

Article 18. Non-residents' Payments and Transfers into /from the Republic of Moldova

Payments and transfers into /from the Republic of Moldova between non-residents, as well as the unilateral transfers of non-residents into /from the Republic of Moldova shall be received /made without restrictions.
Funds received by non-residents within foreign exchange operations, available on the accounts thereof, opened with licensed banks, may be transferred abroad without restrictions.

Article 19. Residents' and Non-residents' Unilateral Transfers on the Territory of the Republic of Moldova

(1) Residents may receive /make unilateral transfers in foreign currency on the territory of the Republic of Moldova without restrictions.
(2) Non-residents may receive /make unilateral transfers in foreign currency and national currency on the territory of the Republic of Moldova without restrictions.

Article 20. Payments and Transfers between Residents and Non-Residents on the Territory of the Republic of Moldova

(1) Payments and transfers between residents and non-residents shall be made on the territory of the Republic of Moldova in national currency, as well as in foreign currency, except for the cases provided for in paragraph (2).
(2) It shall not be allowed to make payments and transfers in foreign currency between residents and non-residents on the territory of the Republic of Moldova, in the following cases:
a) selling of goods and /or rendering of services in shops, restaurants, hotels, gas stations, other similar entities of selling goods and /or rendering services, which carry out their activity on the territory of the Republic of Moldova, except for the entities, which carry

out their activity in transport means engaged in international traffic, as well as the duty-free shops, located in international airports, aboard the international flight aircrafts or at the international state border crossing points;
b) rendering by the resident legal entities of public and non-public utility services for dwellings and other premises;
c) sale of transport documents by the representative offices of non-resident transport companies;
d) payment by resident employers to non-resident employees of wages and other rewards related to labor activity thereof on the territory of the Republic of Moldova;
e) in cases when other legislative acts of the Republic of Moldova do not allow the performance of operations in foreign currency between residents and non-residents on the territory of the Republic of Moldova.

Article 21. Payments and Transfers in Foreign Currency between Residents on the Territory of the Republic of Moldova

(1) Payments and transfers between residents shall be made on the territory of the Republic of Moldova in national currency. The cases when payments and transfers between residents on the territory of the Republic of Moldova may be also made in foreign currency are provided for in paragraph (2).
(2) It shall be allowed making payments and transfers in foreign currency between residents on the territory of the Republic of Moldova in the cases of:
a) operations in which one of the parties is a licensed bank – for operations in foreign currency that are performed within the financial activities carried out in accordance with the license of the National Bank of Moldova, including for operations of lending in foreign currency to residents in cases specified in paragraph (2) Article 22;
a1) operations in which one party is a legal entity performing insurance, leasing, microfinance activity, for the operations related to its activity;
b) operations between legal entities – for making payments and transfers in foreign currency between committents /principals and general commission agents /mandatories, based on commission /mandate contracts, for the purpose of execution of settlements deriving from foreign exchange operations, which involve the non-resident's participation, as well as between resident general commission agents /mandatories within the execution of settlements deriving from mentioned operations concluded on the basis of commission /mandate contracts;
c) operations between legal entities – for making, through the account in foreign currency of a stock exchange or of a clearing organization from the Republic of Moldova, of transfers in foreign currency within the settlements, including with the participation of brokers, made as in accordance with the foreign exchange operations, which involve nonresident's participation;
d) operations between individuals related to the extension of loans in foreign currency;
e) payments for the extra luggage by passengers in the international airports to residents, who carry out their activity in the field of civil aviation;
f) payments by passengers for the sold goods /or rendered services in transport means engaged in international traffic;
g) currency exchange operations, which are performed by foreign exchange entities with individuals;

h) payment of business trip expenses, provided for by the legislation of the Republic of Moldova, by legal entities to their employees on business trips abroad;
i) donation of foreign currency and payment instruments expressed in foreign currency for charitable and sponsorship purposes, as well as the donation of such values between individuals, under the provisions of the legislation of the Republic of Moldova;
j) inheritance /legacy or in cases of legal succession provided for by the legislation of the Republic of Moldova;
k) purchase, sale and exchange between individuals of foreign currency in the form of banknotes and coins, for numismatic purposes;
l) courts' decisions pronounced in cases when, according to the legislation of the Republic of Moldova, payments and transfers may be received /made on the territory of the Republic of Moldova in foreign currency;
m) distribution to beneficiaries of humanitarian aid received from non-residents in foreign currency;
n) in cases when other legislative acts of the Republic of Moldova expressly provide for the possibility of performing operations in foreign currency.
(Article 21 modified by the Law No.116 as of June 17, 2010, in force from July 20, 2010)

Article 22. Foreign Currency Lending between Residents
(1) Granting on the territory of the Republic of Moldova of foreign currency loans /credits by residents to other residents shall be allowed to licensed banks and to resident individuals, according to the provisions of this Article, as well as to the Ministry of Finance, according to the provisions of the Law No.419-XVI of December 22, 2006 on the public debt, state guarantees and state on-lending.
(2) Licensed banks shall have the right to grant loans in foreign currency to residents for the purpose of payments and transfers with non-residents, repayment of other credits received from licensed banks for the purpose of payments and transfers with non-residents, for purposes provided for in credit agreements, concluded between the Government of the Republic of Moldova and non-residents, between licensed banks and international financial organizations; to resident legal entities performing the export of goods (including lease items) and services against financial means in foreign currency, to legal entities performing insurance, leasing, microfinance activity, as well as to licensed banks for the purpose of carrying out the financial activities thereof.
The National Bank of Moldova shall establish the conditions of granting foreign currency credits by licensed banks.
(3) Resident individual shall have the right to grant loans in foreign currency to another resident individual.
(Article 22 modified by the Law No.116 as of June 17, 2010, in force from July 20, 2010)

Article 23. Payments and Transfers Abroad /from Abroad between Residents
(1) Resident legal entities are allowed to perform payments and transfers from the Republic of Moldova abroad to other residents only for the following purposes:
a) maintaining of diplomatic missions, consular offices and other official representative offices of the Republic of Moldova abroad;
b) payment of services rendered by diplomatic missions, consular offices and other official representative offices of the Republic of Moldova abroad;

c) payments to official representatives of the Republic of Moldova of expenses related to the accomplishment by them of certain service missions abroad;
d) offering, under the legislation of the Republic of Moldova, donations to diplomatic missions, consular offices and other official representative offices of the Republic of Moldova abroad;
e) offering, under the legislation of the Republic of Moldova, a donation to resident individual abroad, in the total amount not exceeding 10000 euro (or their equivalent);
f) maintaining of representative offices located abroad of resident legal entities;
g) payment of services rendered under the legislation by resident legal entities' representative offices located abroad;
h) payment of wages and other rewards to resident legal entities' employees working abroad;
i) payment of business trip expenses, provided for by the legislation of the Republic of Moldova, to the employees of resident legal entities on business trips abroad;
k) making of non-commercial socially important payments and transfers to resident individuals – beneficiaries of such payments and transfers, who are staying temporarily abroad.
(2) Resident legal entities are allowed to make transfers from the Republic of Moldova to their accounts opened abroad only if, under the provisions of this Law:
a) such accounts may be opened without the authorization of the National Bank of Moldova;
b) such accounts are opened based on the authorizations of the National Bank of Moldova that provide for the possibility of making such transfers.
(3) Resident individuals are allowed to make payments and transfers from the Republic of Moldova abroad to other residents only for the following purposes:
a) transfer of funds for the purpose of family expenses to resident individuals abroad;
b) offering, under the legislation of the Republic of Moldova, a donation to resident individual abroad, in the total amount not exceeding 1000 euro (or their equivalent);
c) offering, under the legislation of the Republic of Moldova, a donation to diplomatic mission, consular office and other official representative office of the Republic of Moldova abroad, in the total amount not exceeding 1000 euro (or their equivalent);
d) making of non-commercial socially important payments and transfers to resident individuals – beneficiaries of such payments and transfers, who are staying temporarily abroad.
(4) Resident individuals are allowed to make transfers on their name from the Republic of Moldova abroad only in the case of:
a) temporary stay abroad;
b) obtaining of visa in the event that the availability of funds abroad on the name of the individual represents a mandatory condition of the respective state for receiving a visa;
c) in cases when, under the provisions of this Law, the respective individuals have accounts opened abroad based on the authorizations of the National Bank of Moldova that provide for the possibility of making such transfers;
(5) The National Bank of Moldova shall have the right to issue the authorizations for making payments and transfers from the Republic of Moldova abroad by resident legal entities and resident individuals to residents (in cases, other than those specified in

paragraphs (1), (3) and (4)), who have accounts opened abroad under the legislation of the Republic of Moldova or who are abroad.
(6) Payments and transfers within operations performed abroad between residents abroad are allowed in national currency and in foreign currency.
(7) Residents are allowed to receive from abroad payments and transfers from residents without restrictions.

Article 24. Payments and Transfers between Non-Residents on the Territory of the Republic of Moldova
(1) The payments and transfers between non-residents shall be made on the territory of the Republic of Moldova in national currency, as well as in foreign currency without restrictions, except for the cases provided for in paragraph (2).
(2) It is forbidden to make payments and transfers in foreign currency between nonresidents on the territory of the Republic of Moldova, in the following cases:
a) sale of transport documents by the representative offices of non-resident transport companies;
b) in cases when other legislative acts of the Republic of Moldova do not allow the performance of operations in foreign currency between non-residents on the territory of the Republic of Moldova.

Article 25. Other Provisions on Payments and Transfers
(1) The rules of receiving /making by residents and non-residents of payments and transfers within foreign exchange operations, including the requirement of submitting justifying documents on receiving /making of such payments and transfers, as well as the cases when the payments and transfers may be received /made without the submission of justifying documents shall be established by the National Bank of Moldova.
(2) Resident and non-resident individuals are allowed to receive /make payments and transfers within foreign exchange operations both through their accounts and without the use of such accounts.
(3) Resident and non-resident legal entities shall be obliged to receive /make payments and transfers within foreign exchange operations only through their accounts, except for cases when the performance of foreign exchange operations is allowed in cash or by using payment instruments.
(4) The cases when foreign exchange operations may be performed in cash or by using payment instruments by residents and non-residents, including the cases of depositing on /withdrawing from the accounts thereof of cash in foreign currency and national currency and of traveller's cheques in foreign currency are specified in Articles 26 and 27.
(5) The funds obtained within foreign exchange operations by resident legal entities (other than licensed banks and foreign exchange offices) and non-resident legal entities shall be deposited and kept in the accounts thereof.
(6) The maximum amount of cash in foreign currency received as payment on the territory of the Republic of Moldova for sold goods and /or rendered services that, at the end of the working day, may be kept with the cashier's office of the legal entity (other than the licensed bank and the foreign exchange office), which has the right to receive such payments in foreign currency, shall be set up in the amount of 2000 euro (or their equivalent).

Such provisions shall not be applied to entities of selling goods and/ or rendering services which carry out their activity in transport means engaged in international traffic, until the arrival of such transport means to the destination on the territory of the Republic of Moldova.
(7) Payments and transfers within foreign exchange operations shall be received /made by residents and non-residents in compliance with the provisions of the legislation of the Republic of Moldova that regulates the procedures and ways of receiving /making of the specified payments and transfers.
(8) The National Bank of Moldova shall have the right to establish the conditions and the procedures of receiving /making by residents and non-residents within foreign exchange operations of payments and transfers in cash or by using payment instruments, including depositing on / withdrawing from the accounts thereof of the specified values.
(9) Non-commercial socially important payments /transfers, provided for by this Law shall include, as follows:
a) transfers of pensions, alimony, welfare payments, payments and compensations, including payments of damages caused to employees by mutilations, work diseases or other health damages, related to the fulfillment by such employees of work duties;
b) amounts paid on the basis of sentences, decisions, ordinances and decrees of courts and of criminal prosecution bodies;
c) payments related to citizens' death (transport charges and funeral costs);
d) payments for the reimbursement of expenses to criminal prosecution, arbitration, notary and other law-enforcement bodies, as well as the state tax for cases investigated by such bodies;
e) transfer of pecuniar compensations to the victims of political repressions, to the members of families thereof and to the legal successors thereof.

Article 26. The Use of Cash and Traveller's Cheques in Foreign Currency
(1) Resident legal entities may use cash in foreign currency and traveller's cheques in foreign currency (hereinafter – cash) in the case of:
a) performance by the licensed banks of operations in foreign currency within the financial activities carried out in accordance with the license of the National Bank of Moldova and the legislation in force;
b) performance by the foreign exchange entities of currency exchange operations in cash with individuals;
c) reception of cash as payment from non-residents according to the contracts that provide for export of goods (including lease objects) and services against financial means;
d) reception of cash from non-residents due to the return of funds transferred in advance according to the contracts that provide for import of goods (including lease objects) and services against financial means;
e) reception from non-resident individuals of cash as pecuniary contributions to the equity (or their equivalent) of the resident legal entities, as well as the return of mentioned funds in cases provided for by the legislation;
f) payment in cash of business trip expenses, provided for by the legislation of the Republic of Moldova, to employees on business trip abroad, as well as the return by employees of unused funds mentioned above;

g) payment in cash by resident legal entities, who carry out their activity in the field of civil aviation, of expenses related to aircrafts servicing in foreign airports in case of charter flights, special flights (for state's or government's leaders aboard) or landing for technical reasons;
h) reception of cash for the extra luggage from passengers by the resident legal entities, who carry out their activity in the field of civil aviation;
i) reception by resident legal entities, who carry out their activity in the field of civil aviation, of cash from foreign flight operators for the services rendered to them in case of charter flights, of special flights (for state's or government's leaders aboard), of foreign air force flights or landing for technical reasons;
j) reception of cash by the resident legal entities, which carry out their activity in transport means engaged in international traffic, from passengers for the sold goods /or rendered services thereof;
k) reception of cash imported into the Republic of Moldova due to closing of their accounts abroad – in case the balance of the account is insignificant and the transfer thereof into the Republic of Moldova is irrational due to transfer costs;
l) reception from individuals of cash as donations for charitable and sponsorship purposes;
m) reception of cash in case of inheritance /legacy or in cases of legal succession provided for by the legislation of the Republic of Moldova;
n) reception of cash from individuals according to courts' decisions pronounced in the cases when, according to the legislation of the Republic of Moldova, the payments and transfers may be received /made on the territory of the Republic of Moldova in foreign currency;
o) providing of cash to individual-beneficiaries of humanitarian aid or of compensations to the victims of political repressions, to the members of the families thereof and to the legal successors thereof – in case the respective funds are received from nonresidents in foreign currency;
p) reception from non-resident individuals of cash as loans/ credits;
q) depositing on their accounts opened with licensed banks of cash received in cases when this Law and other legislative acts allow the use of cash in foreign currency and traveller's cheques in foreign currency;
r) reception from their accounts opened with licensed banks of cash provided for the use thereof in cases when this Law and other legislative acts allow the use of cash in foreign currency and traveller's cheques in foreign currency;
s) depositing on their accounts opened with licensed banks of cash totally or partially unused, which was previously received from the respective legal entities' account according to the provisions of this paragraph;
t) when the possibility to use cash in foreign currency and traveller's cheques in foreign currency by the resident legal entities is expressly provided for by the legislative acts.
(2) Resident legal entities may use cash in national currency within foreign exchange operations in cases, as follows:
a) indicated under items a) – p), paragraph (1);
b) reception of cash in national currency from non-resident individuals as payment for sold goods and /or rendered services on the territory of the Republic of Moldova;

c) when the possibility to use cash in national currency by the resident legal entities is expressly provided for by the legislative acts.
(3) Non-resident legal entities may use cash in foreign currency and traveller's cheques in foreign currency (hereinafter – cash) in the case of:
a) performance by the licensed banks of operations in foreign currency within the financial activities carried out in accordance with the licenses of the National Bank of Moldova and of the legislation in force;
b) reception of cash by diplomatic missions, consular offices and other official representative offices of foreign states, representations of international organizations accredited in the Republic of Moldova and international organizations within their activity on the territory of the Republic of Moldova;
c) providing of cash to individuals by diplomatic missions, consular offices, other official representative offices of foreign states, representations of international organizations accredited in the Republic of Moldova and international organizations within their activity on the territory of the Republic of Moldova;
d) providing of cash for business trip expenses, provided for by the legislation of the Republic of Moldova, by non-resident legal entities' representative offices (other than those mentioned under item c)) to their employees on business trip abroad, as well as the return by employees of unused funds mentioned above;
e) use of cash by non-resident legal entities, who are responsible for the implementation of technical assistance projects /of foreign financing projects for the Republic of Moldova, for purposes relevant to the implementation of the mentioned projects, only in relation to individuals;
f) reception from individuals of cash as donations for charitable and sponsorship purposes;
g) reception of cash in case of inheritance /legacy or in cases of legal succession provided for by the legislation of the Republic of Moldova;
h) reception from individuals of cash according to courts' decisions pronounced in cases when, according to the legislation of the Republic of Moldova, the payments and the transfers may be received /made on the territory of the Republic of Moldova in foreign currency;
i) providing of cash to individual beneficiaries of humanitarian aid or of compensations to the victims of political repressions, to the members of the families thereof and to the legal successors thereof;
j) reception of cash due to closing of their accounts opened with licensed banks – in case when the balance of the respective account is insignificant and the transfer thereof from the Republic of Moldova is irrational due to the transfer costs;
k) use of cash in relation to resident legal entities in cases provided for in paragraph (1);
l) reception of cash by non-resident legal entities, which carry out their activity in transport means engaged in international traffic, from passengers for sold goods /or rendered services thereof;
m) depositing on their accounts opened with licensed banks of cash received in cases when this Law and other legislative acts allow the use of cash in foreign currency and traveller's cheques in foreign currency;
n) reception from their accounts opened with licensed banks of cash provided for the use thereof in cases when this Law and other legislative acts allow the use of cash in foreign

currency and traveller's cheques in foreign currency, except for receiving of cash with the view of using it in cases provided for under items c) - e) and i), paragraph (1);
o) depositing on their accounts opened with licensed banks of cash totally or partially unused, which was previously received from the respective legal entities' accounts according to the provisions of this paragraph;
p) when the possibility to use cash in foreign currency and traveller's cheques in foreign currency by non-resident legal entities is expressly provided for by legislative acts.
(4) Non-resident legal entities may use cash in national currency within foreign exchange operations in cases, as follows:
a) indicated under items a) – o), paragraph (3);
b) reception of cash in national currency by the representative offices of non-resident transport companies, obtained from the sale of transport documents on the territory of the Republic of Moldova;
c) use of cash by non-resident legal entities' representative offices (other than those mentioned under item c), paragraph(3)), with the view of payment for current expenses related to the activity thereof on the territory of the Republic of Moldova;
d) when the possibility to use cash in national currency by non-resident legal entities is expressly provided for by the legislative acts.
(5) Resident individuals and non-resident individuals may use cash in foreign currency when performing foreign exchange operations with individuals in case when, under the provisions of this Law and other legislative acts, the payments and the transfers within such operations may be received/ made in foreign currency.
(6) Resident individuals and non-resident individuals may use cash in national currency when performing foreign exchange operations with individuals without restrictions.
(7) Resident individuals and non-resident individuals may use cash in foreign currency and traveller's cheques in foreign currency when performing foreign exchange operations with legal entities in case when, according to paragraphs (1) and (3), it is allowed the use of cash in foreign currency and traveller's cheques in foreign currency by individuals in relation to legal entities.
(8) Resident individuals and non-resident individuals may use cash in national currency when performing foreign exchange operations with legal entities in case when, according to paragraphs (2) and (4), it is allowed the use of cash in national currency by individuals in relation to legal entities.
(9) Resident individuals and non-resident individuals may deposit in /receive from their account opened with licensed banks cash in foreign currency /national currency and traveller's cheques in foreign currency within foreign exchange operations without restriction.
(10) The use abroad of cash in foreign currency and national currency and of traveller's cheques in foreign currency within foreign exchange operations is performed under the provisions of the foreign state legislation.

Article 27. The Use of Cards within Foreign Exchange Operations
(1) Withdrawal of cash in foreign currency and the reception of traveller's cheques in foreign currency abroad by using card issued by the licensed bank from the account of a resident individual, shall be allowed in the amount not exceeding 10000 Euro/month (or their equivalent);

(2) In case the withdrawal of cash in foreign currency and the receiving of traveller's cheques in foreign currency is performed by using several cards, issued on the basis of a single resident individual's account, the total amount of operations related to the withdrawal of cash in foreign currency and the reception of traveller's cheques in foreign currency shall not exceed the limit indicated in paragraph (1).
(3) The withdrawal of cash in foreign currency and the reception of traveller's cheques in foreign currency by using cards issued by licensed banks from the accounts of resident legal entities shall not be allowed on the territory of the Republic of Moldova.
(4) The withdrawal of cash in foreign currency and in national currency and the reception of traveller's cheques in foreign currency by using cards issued by licensed banks from the accounts of non-resident legal entities, opened with licensed banks, shall not be allowed on the territory of the Republic of Moldova, except for the cases when this Law allows the reception of cash in foreign currency and in national currency and of traveller's cheques in foreign currency from the accounts of the mentioned entities.
(5) Foreign currency obtained from selling goods or rendering services on the territory of the Republic of Moldova by using cards in favour of a merchant that activates in the Republic of Moldova shall be purchased by the licensed bank, while the equivalent in national currency shall be entered on the account of the respective merchant.

CHAPTER III
IMPORT AND EXPORT OF FOREIGN EXCHANGE VALUES

Article 28. General Provisions on Import and Export of Foreign Exchange Values

(1) **Import and export of foreign exchange values** shall mean the operations related to the import, the sending and the export into /from the Republic of Moldova of cash in foreign and national currency, materialized securities and payment instruments expressed in foreign currency and national currency.
(2) The import into /export from the Republic of Moldova of coins containing precious metals shall be made by residents and non-residents under the legislation, which regulates the field of precious metals and articles thereof.

Article 29. Import and Export of Cash in National Currency, as well as of Cash and Traveller's Cheques in Foreign Currency by Individuals

(1) Resident individuals and non-resident individuals shall have the right, as follows:
1) to import, while entering into the Republic of Moldova, cash in national currency, as well as cash and traveller's cheques in foreign currency without limits;
2) to export, while departing from the Republic of Moldova, cash in national currency, as well as cash and traveller's cheques in foreign currency, in the total amount not exceeding 10000 euro (or their equivalent) per individual per trip, without the submission to customs authorities of confirming documents specified in sub-paragraph 3);
3) to export, while departing from the Republic of Moldova, cash in national currency, as well as cash and traveller's cheques in foreign currency, in the total amount of over 10000 euro (or their equivalent), but not exceeding 50000 euro (or their equivalent) per individual per trip, under the condition of submission to customs authorities of confirming documents for the amount exceeding 10000 euro (or their equivalent), and namely:
a) customs documents confirming the import of funds into the Republic of Moldova;

and /or
b) permissions to export funds from the Republic of Moldova, issued by licensed banks and /or authorizations to export funds from the Republic of Moldova, issued by the National Bank of Moldova.
The amounts exceeding 50000 euro (or their equivalent) may be transferred from the Republic of Moldova under the provisions of Articles 17, 18 and 23.
(2) In case of export from the Republic of Moldova by resident individuals and nonresident individuals of funds in foreign currency, other than euro or than the currency indicated in the permission /authorization to export funds from the Republic of Moldova and /or in the customs document confirming the import of funds into the Republic of Moldova, the equivalent of the amounts in the respective currencies shall be determined by applying the official exchange rate of the Moldovan leu fixed by the National Bank of Moldova valid as of the date of passing the state border of the Republic of Moldova.
(3) The import into /export from the Republic of Moldova of cash in national currency, as well as of cash and traveller's cheques in foreign currency by individual in unaccompanied baggage shall not be allowed.

Article 30. Import and Export of Cash in Foreign Currency and National Currency and of Traveller's Cheques in Foreign Currency by Legal Entities
(1) The import into /export from the Republic of Moldova of cash in foreign and national currency and traveller's cheques in foreign currency shall be allowed to legal entities in cases, as follows:
a) the National Bank of Moldova – for the purpose of exercising the attributions thereof;
b) licensed banks and non-resident banks – for the purpose of carrying out financial activities;
c) resident legal entities – for the purposes /cases provided under items f), g) j), k) and m) paragraph (1) of Article 26, as well as in cases when the funds previously imported into / exported from the Republic of Moldova were totally or partially unused;
d) non-resident legal entities – for the purposes /cases provided under items c), d), i) paragraph (1) and items b) - e), g), j) and l) paragraph (3) of Article 26, as well as in cases when the funds previously imported into /exported from the Republic of Moldova were totally or partially unused.
(2) Resident legal entities shall have the right to export from the Republic of Moldova cash in national currency with the purpose of testing the automated processing machines of banknotes and coins in national currency. After the testing, but not later than 6 months from the date of export, the exported cash shall be reimported into the Republic of Moldova.
(3) The import into /export from the Republic of Moldova of cash in national currency and foreign currency and of traveller's cheques in foreign currency by the legal entities, indicated in paragraphs (1) and (2) shall be made by individuals-official representatives of these legal entities.
(4) The import into /export from the Republic of Moldova of cash in foreign currency by the licensed banks shall be made without the authorization of the National Bank of Moldova.

(5) The import into /export from the Republic of Moldova of cash in foreign currency by non-resident banks shall be made with the authorization of the National Bank of Moldova.
(6) The import into /export from the Republic of Moldova of cash in national currency by licensed banks and non-resident banks shall be made with the authorization of the National Bank of Moldova. The export from / import into the Republic of Moldova of cash in national currency by licensed banks with the purpose indicated in paragraph (2) shall be made without the authorization of the National Bank of Moldova.
(7) The import into /export from the Republic of Moldova of traveller's cheques in foreign currency by licensed banks and non-resident banks shall be made without the authorization of the National Bank of Moldova.
(8) The import into /export from the Republic of Moldova of cash in national currency and in foreign currency and of traveller's cheques in foreign currency by legal entities, indicated under items c) and d) paragraph (1) and paragraph (2) shall be made under the observance by the individual-official representative of these legal entity of the provisions of Article 29.
(9) In case of export from the Republic of Moldova of cash in national currency and in foreign currency and of traveller's cheques in foreign currency by the individual, that, at the same time, is an official representative of the legal entity indicated under items c) or d) paragraph (1) and paragraph (2), the requirements established in Article 29 shall be applied to the total amount of respective funds which are exported by this individual.
(10) The National Bank of Moldova, in consent with the Customs Service, shall have the right to establish:
a) the conditions related to the import into /export from the Republic of Moldova of cash in foreign currency and national currency and of traveller's cheques in foreign currency by legal entities, indicated in paragraphs (1) and (2);
b) the documents that shall be submitted by legal entities, indicated in paragraphs (1) and (2) to customs authorities of the Republic of Moldova while importing into /exporting from the Republic of Moldova of cash in foreign currency and national currency and in traveller's cheques in foreign currency.

Article 31. Authorizations/ Permissions to export funds from the Republic of Moldova
(1) The National Bank of Moldova shall issue the authorization to export funds from the Republic of Moldova, following the written request of individuals in case the export of cash in national currency and foreign currency and of traveller's cheques in foreign currency is made by:
a) the resident individual establishing his /her permanent residence abroad and holding the respective funds under right of property;
b) the non-resident individual holding the respective funds under right of property.
(2) The issue by the National Bank of Moldova of authorizations mentioned in paragraphs (5) and (6) Article 30, and in paragraph (1) of this Article shall be made under the provisions of Article 55.
(3) The licensed banks shall issue the permissions to export funds from the Republic of Moldova, following the written request of legal entities, on the name of the individuals-

their representatives, in case the export of cash in national currency and foreign currency and of traveller's cheques in foreign currency is made by:
a) the resident legal entities – with the purposes provided for under items f) and g) paragraph (1) Article 26 and in paragraph (2) Article 30;
b) the non-resident legal entities – in the cases provided for under items c) - e) and j) paragraph (3) Article 26.
(4) The National Bank of Moldova shall establish the procedure of issuing by the licensed banks of permissions to export funds from the Republic of Moldova.
(5) In case of import into /export from the Republic of Moldova of cash in national currency and foreign currency by legal entities, indicated under item b) paragraph (1) Article 30, based on the authorizations issued by the National Bank of Moldova, only the cash in the currency indicated in respective authorizations may be imported into /exported from the Republic of Moldova.
(6) In case of exporting from the Republic of Moldova of cash in foreign currency and national currency and of traveller's cheques in foreign currency by individuals and legal entities, indicated under items c) and d) paragraph (1) Article 30, based on the authorizations /permissions to export funds from the Republic of Moldova and /or based on the customs' documents confirming the import of funds into the Republic of Moldova, the equivalent of a currency, other than that indicated in the mentioned documents may be imported into /exported from the Republic of Moldova.

Article 32. Import and Export of Securities and of Payment Instruments
Residents and non-residents shall have the right, as follows:
a) to import into the Republic of Moldova securities and payment instruments, other than traveller's cheques in foreign currency, without limits;
b) to export from the Republic of Moldova securities and payment instruments, other than traveller's cheques in foreign currency, without limits.

Article 33. Declaration of Foreign Exchange Values Imported into /Exported from the Republic of Moldova
(1) Resident individuals and non-resident individuals shall be obliged to declare in written form the foreign exchange values to customs authorities of the Republic of Moldova in the following cases:
a) while importing into /exporting from the Republic of Moldova of cash in national currency, as well as of cash and traveller's cheques in foreign currency, if their total amount exceeds 10000 euro (or their equivalent) per individual per trip;
b) while importing into /exporting from the Republic of Moldova of securities and of payment instruments (other than traveller's cheques in foreign currency and cards), if their total amount exceeds 10000 euro (or their equivalent) per individual per trip.
(2) Resident individuals and non-resident individuals shall have the right to declare in written form the foreign exchange values to customs authorities of the Republic of Moldova in the following cases:
a) while importing into /exporting from the Republic of Moldova of cash in national currency, as well as of cash and traveller's cheques in foreign currency, if their total amount does not exceed 10000 euro (or their equivalent) per individual per trip;

b) while importing into /exporting from the Republic of Moldova of securities and of payment instruments (other than traveller's cheques in foreign currency and cards), if their total amount does not exceed 10000 euro (or their equivalent) per individual per trip.
(3) Unless customs' legislation of the Republic of Moldova does not provide customs' facilities for some categories of individuals and legal entities, the provisions of paragraphs (1) and (2) shall be correspondingly applied to the individuals - representatives of legal entities, mentioned under items c) and d) paragraph (1) and paragraph (2) Article 30.
(4) In case of import into /export from the Republic of Moldova of cash in national currency and foreign currency and in traveller's cheques in foreign currency by individual that, at the same time, is a representative of the legal entity indicated under items c) or d) paragraph (1) and paragraph (2) Article 30, the provisions established in paragraphs (1) and (2) of this Article shall be applied to the total amount of respective funds that are imported /exported by this individual.
(5) The legal entities, mentioned under items a) and b) paragraph (1) Article 30 shall be obliged to declare in written form to the customs authorities of the Republic of Moldova all foreign exchange values (except for cards), which are imported in /exported from the Republic of Moldova.
(6) The procedure of declaration to customs authorities of the Republic of Moldova of foreign exchange values shall be established by the customs legislation of the Republic of Moldova.

Article 34. Other Provisions on Import and Export of Foreign Exchange Values
(1) The sending into /from the Republic of Moldova of cash in foreign currency and national currency in international postal items shall be allowed to individuals, as well as to legal entities specified under items a) and b) paragraph (1) Article 30.
(2) The sending into the Republic of Moldova to individuals and the sending from the Republic of Moldova by individuals of cash in foreign currency and national currency in international postal items shall be allowed only for numismatic purpose, not more than one piece of banknote and coins of each denomination (in each foreign currency and for national currency), as well as not more than one piece of commemorative and jubilee coin of each denomination, per international postal item.
(3) The sending into /from the Republic of Moldova of cash in foreign currency and national currency by legal entities specified under items a) and b) paragraph (1) Article 30 may also be made through methods, other than the one specified in paragraph (1) of this Article (for instance, through international air transport), according to the legislation of the Republic of Moldova.
(4) The sending into /from the Republic of Moldova of traveller's cheques in foreign currency by residents and non-residents in international postal items or through other methods shall be not allowed, except for the cases of sending made by legal entities indicated under items a) and b) paragraph (1) Article 30.
(5) The sending into /from the Republic of Moldova of cash in foreign currency and national currency and of traveller's cheques in foreign currency by legal entities indicated under items a) and b) paragraph (1) Article 30 in international postal items or through

other methods shall be made applying the provisions relevant to the mentioned individuals /legal entities established in Article 30.
(6) Cases and conditions of sending into /from the Republic of Moldova of foreign exchange values (other than cash in foreign currency and national currency and traveller's cheques in foreign currency) by residents and non-residents in international postal items shall be established by the Government, in consent with the National Bank of Moldova and the National Financial Market Commission.
(7) The sending into /from the Republic of Moldova of foreign exchange values in international postal items shall be made by residents and non-residents under the provisions of the legislation of the Republic of Moldova, which regulates international postal services.
(8) Unless legislation of the Republic of Moldova does not provide customs' facilities for certain categories of individuals and legal entities, residents and non-residents shall be obliged to declare in written form to customs authorities of the Republic of Moldova all foreign exchange values that are sent into /from the Republic of Moldova in international postal items or through other methods.
(9) The procedure of declaring to customs authorities of the Republic of Moldova of foreign exchange values that are sent into /from the Republic of Moldova in international postal items or through other methods shall be established by the customs legislation of the Republic of Moldova.

CHAPTER IV
FOREIGN EXCHANGE MARKET

Article 35. General Provisions on Foreign Exchange Market
(1) The foreign exchange market shall mean the market on which exchange operations by legal entities and individuals are performed.
(2) The exchange operations shall mean the purchase and sale operations of foreign currency against national currency or other foreign currency, as well as, depending on the case, the purchase and sale operations of cheques in foreign currency.
(3) The National Bank of Moldova shall establish the procedure of exchange operations' performance in the Republic of Moldova.

Article 36. Authorized Participants of the Foreign Exchange Market
(1) On the territory of the Republic of Moldova, the activity related to the performance of exchange operations with residents and non-residents shall be carried out exclusively by the National Bank of Moldova, licensed banks and foreign exchange entities.
(2) The National Bank of Moldova shall perform exchange operations in the Republic of Moldova and abroad, under the provisions of the legislation of the Republic of Moldova.
(3) The licensed banks shall perform, without restrictions, exchange operations in the Republic of Moldova and abroad, in accordance with the licenses for carrying out financial activities, issued by the National Bank of Moldova under the Law on financial institutions no.550-XIII as of July 21, 1995.
(4) Foreign exchange entities shall perform, without restrictions, exchange operations in the Republic of Moldova with resident individuals and non-resident individuals, in

accordance with the licenses issued by the National Bank of Moldova under the provisions of this Law.

Article 37. Exchange Operations of Residents and Non-Residents in the Republic of Moldova

(1) Resident legal entities (other than licensed banks) shall perform exchange operations with licensed banks. In cases provided for by the legislation of the Republic of Moldova, resident legal entities (other than licensed banks) are allowed to perform exchange operations with the National Bank of Moldova, as well.

(2) Resident individuals shall perform exchange operations with licensed banks and foreign exchange entities.

(3) Residents (other than licensed banks) and non-residents shall perform in the Republic of Moldova purchase and sale operations of foreign currency against another foreign currency without restrictions.

(4) Non-resident legal entities, as well as resident individuals and non-resident individuals shall perform in the Republic of Moldova purchase and sale operations of foreign currency against national currency without restrictions.

(5) Resident legal entities (other than licensed banks) shall perform in the Republic of Moldova sale operations of foreign currency against national currency without restrictions.

(6) Resident legal entities (other than licensed banks) shall perform without restrictions in the Republic of Moldova purchase operations of foreign currency against national currency in order to carry out current foreign exchange operations, allowed capital foreign exchange operations, as well as to make payments /transfers abroad to residents in cases when the foreign exchange legislation allows the performance of such operations.

(7) The National Bank of Moldova shall have the right to set out the cases when resident legal entities (other than licensed banks) are allowed to perform in the Republic of Moldova purchase operations of foreign currency against national currency for the purpose of making payments /transfers in foreign currency on the territory of the Republic of Moldova to other residents, as well as for the purpose of management of liquidity and foreign exchange risks related to the activity of the specified legal entities.

(8) The National Bank of Moldova shall have the right to establish for resident legal entities (other than licensed banks), upon their performance of purchase operations of foreign currency against national currency, the requirement of confirming the foreign currency purchase operations by justifying documents, the maximum term of maintaining on the accounts of the specified entities of the purchased foreign currency and the requirement of its sale against national currency in the event that it was not used during the established term.

Article 38. Exchange Operations of Residents Abroad

The performance by residents (other than the National Bank of Moldova) of exchange operations abroad shall be subject to the authorization of the National Bank of Moldova, except for the performance of such operations by:

a) licensed banks;

b) resident individuals, who are staying temporarily abroad;

c) resident legal entities (other than those specified under item a)) and resident individuals (other than those specified under item b)), who have accounts opened abroad under the provisions of this Law and perform exchange operations according to the regime of the respective account established under the legislation of the Republic of Moldova.

Article 39. Official Exchange Rate of Moldovan Leu

(1) The official exchange rate of Moldovan Leu shall mean the exchange rate of the national currency against the foreign currency, which is set up by the National Bank of Moldova.

(2) The National Bank of Moldova shall establish the method of determining the official exchange rate of Moldovan Leu against foreign currencies, as well as the list of foreign currencies against which the Moldovan Leu is quoted.

(3) The National Bank of Moldova shall disseminate to the public and to licensed banks, through various means of information, the official exchange rate of Moldovan Leu against foreign currencies.

(4) The official exchange rate of Moldovan Leu shall be used for accounting and statistical purposes.

(5) The application of the official exchange rate of Moldovan Leu against foreign currencies while performing the foreign exchange operations, including by the National Bank of Moldova shall not be compulsory.

Article 40. Bid and Ask Rates of Foreign Currency

(1) The National Bank of Moldova and the licensed banks shall independently set up bid and ask rates of foreign currency while performing exchange operations with clients.

(2) The licensed bank is allowed to set up bid and ask rates of foreign currency against national currency and against other foreign currency, either single for all legal entities /individuals, or individually for each person, while performing exchange operations with legal entities and individuals, except for the operations performed through foreign exchange bureaux thereof.

(3) Upon the performance of exchange operations with individuals, the bid and ask rates shall be set up by foreign exchange entities under the provisions of Article 43.

CHAPTER V
The Activity of Foreign Exchange Entities
Section 1
General Provisions

Article 41. General Provisions on Foreign Exchange Entities

(1) Foreign exchange entities shall perform exchange operations in cash in national currency and foreign currency, as well as with traveller's cheques in foreign currency with individuals (hereinafter – currency exchange operations in cash).

(2) The following categories of residents, named, for the purpose of this Law, foreign exchange entities, shall have the right to perform on the territory of the Republic of Moldova currency exchange operations in cash with individuals:

a) licensed bank, which performs currency exchange operations in cash with individuals through the foreign exchange bureaux thereof (hereinafter – licensed bank's foreign exchange bureaux);
b) foreign exchange office – the resident legal entity established under the legislation of the Republic of Moldova, having as single type of activity the performance on the territory of the Republic of Moldova of currency exchange operations in cash with individuals;
c) resident legal entity rendering hotel services (hereinafter – the hotel), which performs purchase operations of cash in foreign currency /traveller's cheques in foreign currency with individuals through the foreign exchange bureau thereof (hereinafter – foreign exchange bureau by hotel).
(3) The foreign exchange office may open branches on the territory of the Republic of Moldova.
(4) The activity of the foreign exchange entity, specified under item a) paragraph (2), shall be carried out based on the license for carrying out financial activities, issued by the National Bank of Moldova under the Law on financial institutions no.550-XIII as of July 21, 1995.
(5) The licensed banks shall be obliged to notify the National Bank of Moldova about the opening of foreign exchange bureaux thereof and to submit the daily programme of the respective bureau. The National Bank of Moldova shall establish the procedure and the terms of notifying.
(6) The activity of the foreign exchange entities, specified under items b) and c) paragraph (2), shall be carried out based on the licenses for carrying out the currency exchange activity in cash with individuals, issued by the National Bank of Moldova under the provisions of this chapter (hereinafter – license /licenses of the National Bank of Moldova).
(7) The branch of the foreign exchange office may carry out the currency exchange activity exclusively upon the approval of the National Bank of Moldova, by issuing thereby, under the provisions of this chapter, of the authorized copy of the license for carrying out the currency exchange activity in cash with individuals issued to the respective foreign exchange office (hereinafter – authorized copy of the license).
(8) The National Bank of Moldova shall keep, according to the procedure established by it, the register of foreign exchange entities, which is made accessible to the public.
(9) The National Bank of Moldova shall establish the procedure of performance of currency exchange operations in cash with individuals.

Section 2
Conditions of Foreign Exchange Entities' Activity

Article 42. General Provisions on the Conditions of Foreign Exchange Entities' Activity

(1) In order to carry out the currency exchange activity, the foreign exchange office, the branch thereof, the foreign exchange bureau of the licensed bank or the foreign exchange bureau by hotel shall have at least:
a) cash control register (for each operational window);
b) foreign currencies reference book;

c) machine to verify the banknotes' authenticity (for each operational window);
d) forms of documents established by the National Bank of Moldova for the performance of the currency exchange operations in cash with individuals.
(2) Inside the foreign exchange entity's office where the currency foreign exchange operations in cash with individuals are directly performed (hereinafter - the premise of the foreign exchange entity), in a visible spot for individuals shall be displayed, as follows:
a) copy of the license (in case of the branch of foreign exchange office – of the authorized copy of the license) on the basis of which the currency exchange activity shall be carried out. The respective copy shall be authenticated by the administrator of the foreign exchange entity or by the person authorized by him thereto;
b) daily programme of the foreign exchange entity;
c) the information regarding the mandatory payments which are taken up according to the legislative acts;
d) other documents /information, the displaying of which in a visible spot for individuals in the premise of the foreign exchange entity is provided for in this Article.
(3) The currency exchange operations in cash with individuals are performed by the foreign exchange entity by applying the cash control register in accordance with the requirements of the legislation in the field of application of cash control register.
(4) The foreign exchange entity shall be obliged to perform currency exchange operations in cash with individuals, if at the moment of individual's requests in the premise of the foreign exchange entity there exist the requested national currency /foreign currencies.
(5) Upon the reception of foreign currency or national currency, the cashier of the foreign exchange entity shall be obliged to verify the authenticity and acceptability as a means of payment of the presented cash in foreign currency and national currency and of the traveller's checks in foreign currency.
(6) While performing the currency exchange operations in cash with individuals, the foreign exchange entities shall not admit restrictions concerning the face-value of banknotes in national currency and foreign currency, and/or with regard to the year of issuance of these, if they are still in circulation. The foreign exchange entities shall not have the right to deny the acceptance of the banknotes considered to be acceptable as a means of payment according to the criteria established by the National Bank of Moldova. These criteria shall be displayed in the premise of the foreign exchange entity in a visible spot for individuals.
(7) In case the foreign exchange entity intends to suspend for a certain period of time its activity and/ or the activity of the foreign exchange office's branch, of the foreign exchange bureau of the licensed bank, or of the exchange bureau by hotel, it is obliged, before activity suspending, to inform in written form the National Bank of Moldova hereof. The foreign exchange entity shall be obliged, before resuming its activity, to inform in written form the National Bank of Moldova hereof, by indicating the date of the activity resumption.
(8) In case the foreign exchange entity decides to definitely terminate its activity and / or the activity of the foreign exchange office's branch, of the foreign exchange bureau of the licensed bank, or of the foreign exchange bureau by hotel, it is obliged to inform in written form the National Bank of Moldova hereof. Upon the termination of the activity of the foreign exchange office, of the foreign exchange office's branch, of the foreign

exchange bureau by hotel, the license / authorized copy of the license shall be submitted at the National Bank of Moldova.
The license/ authorized copy of the license shall also be submitted at the National Bank of Moldova in case the decision was taken with regard to the cancellation of the state registration of the foreign exchange office or of the hotel.

Article 43. Bid and Ask Rates and Commission Charges of the Foreign Exchange Entities

(1) The licensed bank shall set up bid and ask rates single for all individuals for the currency exchange operations performed by the foreign exchange bureaux thereof.
(2) In the event that the licensed bank has more foreign exchange bureaux, it may set up bid and ask rates different for each foreign exchange bureau.
(3) The foreign exchange office shall independently set up bid and ask rates of foreign currencies, for the performance of the currency exchange operations in cash with individuals.
(4) The hotel holding the license of the National Bank of Moldova shall independently set up bid and ask rates of foreign currencies for the currency exchange operations performed by its foreign exchange bureau.
(5) Bid and ask rates for currency exchange operations, which are performed by foreign exchange offices or foreign exchange bureaux by the hotel, shall be single for all individuals.
(6) In the event that the foreign exchange office has branches, it may set up bid and ask rates different for each branch.
(7) The bid and ask rates of the foreign currency for the currency exchange operations in cash with individuals shall be set up by the foreign exchange entities as the rates of exchange of the national currency against the respective foreign currency.
(8) Upon the performance of purchase /sale operations of foreign currency against another foreign currency with individuals, foreign exchange entities shall apply bid and ask rates of the respective currencies against national currency.
(9) The foreign exchange entities shall not have the right to change during its working hours bid and ask rates set up for the currency exchange operations in cash with individuals.
In case the foreign exchange entities perform these operations on a 24-hour basis, they shall have the right to establish two equal periods of activity. In this case the foreign exchange entities may set up bid and ask rates, different for each period in part, that cannot be modified during the respective period.
(10) Foreign exchange entities are obliged to inform the National Bank of Moldova, according to the procedure provided for by it, with regard to bid and ask rates of the foreign currencies set up for the purpose of performing currency exchange operations in cash with individuals.
(11) Bid and ask rates for currency exchange operations in cash with individuals shall be set up by an order of the administrator of the foreign exchange entity or of the authorized person thereof. The order shall be displayed in the premise of the foreign exchange entity in a visible spot for individuals. The requirements related to the specified order shall be established by the National Bank of Moldova.

(12) The foreign exchange entities may charge commissions for the performance of the currency exchange operations in cash with individuals.
The amount of the commissions shall be established by an order of the administrator of the foreign exchange entity or of the authorized person thereof. The order shall be displayed in the premise of the foreign exchange entity in a visible spot for individuals. The requirements related to the specified order shall be established by the National Bank of Moldova.
(13) During the working hours the information regarding the set up bid and ask rates, as well as the information regarding the commissions applied while performing the currency exchange operations in cash with individuals, have to be displayed on the billboard on which the name of the foreign exchange entity is indicated as well.
(14) When displaying on the billboard the information regarding the bid and ask rates set up by the foreign exchange entity for the performance of the currency exchange operations in cash with individuals the following conditions shall be observed:
a) the sequence of foreign currencies displayed: the first group of currencies (US dollar, Euro), the second group of currencies (Russian ruble, Romanian leu, Ukraine hryvna), the third group of currencies (other currencies);
b) displaying of the bid and ask rates in separated columns: the bid rates – in the left column, the ask rates – in the right column.
(15) The information about the commissions shall be displayed on the billboard using the same type of characters as for the information regarding the bid and ask rates.

Article 44. Peculiarities of the Foreign Exchange Offices' Activity
(1) The minimum amount of pecuniary contributions in the equity of the foreign exchange office that will constitute the circulating cash assets provided for the performance of currency exchange operations in cash with individuals shall be established in an amount of 500000 Lei.
(2) In the event of branches' opening, the foreign exchange office shall be obliged to ensure the holding of circulating cash assets constituted on the account of pecuniary contributions to the equity at the level established in paragraph (1), for each branch separately. The specified circulating cash assets shall be used for the supply of the branch, for the purpose of carrying out currency exchange activity in cash with individuals.
(3) The minimum amount of funds to be supplied by the foreign exchange office at the beginning and during the working day shall be established at the equivalent of 400000 Lei.
The same amount shall be also supplied for each branch of the foreign exchange office.
(4) During its activity, the foreign exchange office shall be obliged to maintain the circulating cash assets thereof constituted on the account of pecuniary contributions to the equity at the level established in paragraph (1), as well as in compliance with the provisions
of paragraph (2) in case the foreign exchange office has opened branches.
(5) During its working hours the foreign exchange office shall be obliged to keep the circulating cash assets in the premise of the foreign exchange office, of the branches thereof and/or on its accounts opened with the licensed banks in compliance with the

requirements of paragraph (3). Keeping during working hours of the respective funds in other places (bank treasury cells etc.) shall be prohibited.
(6) In the event that the foreign exchange office, as a result of its activity, incurs losses related to the exchange rate fluctuation, which lead to the reduction of the circulating cash assets specified in paragraph (4) under the established level, it shall be obliged, within the period of 30 calendar days, to increase those assets to the established minimum level.
(7) Foreign exchange branches shall not be opened with the address of the foreign exchange office itself.
(8) The foreign exchange office is allowed to open a single branch at the same address.
(9) At the same address of the foreign exchange office or the branch thereof the currency exchange operations in cash with individuals are allowed to be performed through one or more operational windows.
(10) The premise where foreign exchange office directly performs currency exchange operations in cash with individuals shall be located within one building. Every branch of the foreign exchange office shall be provided with such premise. These premises shall correspond to the minimum conditions established by the National Bank of Moldova, and cannot be used by another foreign exchange office for the performance of its activity.

Article 45. Peculiarities of the Licensed Banks' Currency Exchange Activity in Cash with Individuals
(1) The licensed bank may open a single foreign exchange bureau with one or more operational windows at the same address.
(2) The amount of funds to be provided by the licensed bank at the beginning and during the working day for the purpose of performing currency exchange operations in cash with individuals by the foreign exchange bureaux thereof will constitute the equivalent of at least 100000 Lei for each foreign exchange bureau. During the working day of the foreign exchange bureau of the licensed bank the funds provided for performance of currency exchange operations in cash with individuals shall not be used for the performance of other operations.
(3) The licensed bank shall be obliged to notify the National Bank of Moldova about all modifications of data that were indicated in documents through which the National Bank of Moldova was notified about the bank's foreign exchange bureau opening. The information shall be presented to the National Bank of Moldova within 10 working days following the changes occurred.

Article 46. Peculiarities of the hotels' currency exchange activity in cash with individuals
The foreign exchange bureau by hotel may be located at the reception desk or in other location within the hotel provided for the performance of cash operations.

Section 3
Licensing of activity of the foreign exchange offices and foreign exchange bureaux by hotels

Article 47. Documents Necessary to Obtain the License Issued by the National Bank of Moldova

(1) In order to obtain the license by the foreign exchange office, the administrator thereof or the person authorized by him shall submit to the National Bank of Moldova an application according to the form established by the National Bank of Moldova, which contains at least:

a) name, legal form, legal address, state identification number (IDNO) of the foreign exchange office;

b) type of activity, for which the license` applicant intends to obtain the license;

c) declaration by the license` applicant of his responsibility for observance of the conditions of carrying out the currency exchange activity, established by this Law and for the authenticity of the submitted documents.

(2) The following documents shall be attached to the foreign exchange office's application for issuing the license:

a) state registration certificate of the foreign exchange office;

b) incorporation documents of the foreign exchange office;

c) extract from the state register of the respective legal undertakings, which confirms the person authorized to administrate the enterprise or other document confirming the person's full power to sign (submit) the respective application, in case the application for issuing the license is signed (submitted) by a person other than the administrator of the enterprise;

d) document confirming the existence on the account of the foreign exchange office opened with a licensed bank of pecuniary contributions in the equity thereof in the minimum amount established in paragraph (1) Article 44;

e) confirmation signed by the administrator of the foreign exchange office or by the person authorized by him with regard to the availability of means and devices specified in paragraph (1) Article 42, necessary for carrying out currency exchange activity, with the attached document (-s) confirming the registration by fiscal authorities of cash control register (-s);

f) documents confirming the right to use the premise for the purpose of performing currency exchange operations;

g) confirmation signed by the administrator of the foreign exchange office or by the person authorized by him with regard to the compliance of the premise specified under item f) of this paragraph with the requirements established in paragraph (10) Article 44;

h) document confirming that the foreign exchange office is under security guard;

i) criminal records issued by the authorized body of the Republic of Moldova on the name of the administrator, his /her deputy and the chief-accountant that shall not contain stipulations regarding convictions for offences committed for financial interest, established in final court decisions. As regards the non-residents, the documents issued by the respective state, confirming the absence of the specified convictions shall be submitted;

j) personal files of the administrator, his /her deputy and the chief-accountant, prepared according to the requirements established by the National Bank of Moldova, with the identity documents of the specified persons, as well as the document of studies in economics of the chief-accountant attached therewith;

k) daily program of the foreign exchange office;

l) information regarding the number of operational windows of the foreign exchange office.
(3) In order to obtain the authorized copy of the license for the purpose of carrying out currency exchange activity through a branch, the administrator of the foreign exchange office or the person authorized by him shall submit to the National Bank of Moldova an application in accordance with the form established by the National Bank of Moldova, which contains at least:
a) name, legal form, legal address, state identification number (IDNO) of the foreign exchange office;
b) name and legal address of the foreign exchange office's branch;
c) declaration by the foreign exchange office of its responsibility for observance by the branch of the conditions of carrying out the foreign exchange activity, established by this Law and for the authenticity of submitted documents.
(4) The following documents shall be attached to the application for issuing the authorized copy of the license:
a) incorporation documents of the foreign exchange office, containing data about the branch;
b) extract from the state register of the respective legal undertakings, which confirms the person authorized to administrate the enterprise or other document confirming the person's full power to sign (submit) the respective application, in case the application for issuing the authorized copy of the license is signed (submitted) by a person other than the administrator of the enterprise;
c) document confirming the existence of funds indicated in paragraph (2) Article 44;
d) confirmation signed by the administrator of the foreign exchange office or by the person authorized by him with regard to the availability of means and devices specified in paragraph (1) Article 42 necessary for carrying out currency exchange activity, with the attached document (-s) confirming the registration by fiscal authorities of cash control register (-s);
e) document confirming the right of the branch to use the premise for the purpose of performing currency exchange operations;
f) confirmation signed by the administrator of the foreign exchange office or by the person authorized by him with regard to the compliance of the premise specified under item e) of this paragraph with the requirements established in paragraph (10) Article 44;
g) document confirming that the branch is under security guard;
h) criminal records issued by the authorized body of the Republic of Moldova on the name of the branch administrator, his /her deputy that shall not contain stipulations regarding convictions for offences committed for financial interest, established in final court decisions.
As regards the non-residents, the documents issued by the respective state, confirming the absence of the specified convictions shall be submitted;
i) personal files of the branch administrator, his /her deputy prepared according to the requirements established by the National Bank of Moldova, with the identity documents of the specified persons attached therewith;
j) daily program of the foreign exchange office's branch;
k) information regarding the number of operational windows of the foreign exchange office's branch.

(5) In order to obtain the license by the hotel, the administrator thereof or the person authorized by him shall submit to the National Bank of Moldova an application according to the form established by the National Bank of Moldova, which contains at least:
a) name, legal form, legal address, state identification number (IDNO) of the hotel;
b) type of activity, for which the license` applicant intends to obtain the license;
c) declaration by the license` applicant of his responsibility for observance of the conditions of carrying out the currency exchange activity of the hotel, established by this Law and for the authenticity of submitted documents.
(6) The following documents shall be attached to the hotel` application for issuing the license:
a) state registration certificate of the hotel;
b) incorporation documents of the hotel;
c) extract from the state register of the respective legal undertakings, which confirms the person authorized to administrate the enterprise or other document confirming the person's full power to sign (submit) the respective application, in case the application for issuing the license is signed (submitted) by a person other than the administrator of the enterprise;
d) confirmation signed by the administrator of the hotel or by the person authorized by him with regard to the availability of means and devices specified in paragraph (1) Article 42, necessary for carrying out the currency exchange activity, with the attached document confirming the registration by fiscal authorities of cash control register;
e) criminal records issued by the authorized body of the Republic of Moldova on the name of the administrator, his /her deputy and the accountant responsible for the activity of the foreign exchange bureau by hotel that shall not contain stipulations regarding convictions for offences committed for financial interest, established in final court decisions. As regards the non-residents, the documents issued by the respective state, confirming the absence of the specified convictions shall be submitted;
f) personal files of the administrator, his /her deputy and the accountant, responsible for the activity of the foreign exchange bureau by hotel, prepared according to the requirements established by the National Bank of Moldova, with the identity documents of the specified persons, as well as the document of studies in economics of the accountant attached therewith;
g) daily program of the foreign exchange bureau by hotel.
(7) The documents indicated in paragraphs (1)-(6) shall be submitted to the National Bank of Moldova in original or copies, with the submission of their original for verification, except for the criminal records that have to be submitted in original. After the verification by the National Bank of Moldova of the submitted copies and the documents' originals, the originals shall be returned to the applicant of the license/ authorized copy of the license.
(8) The application for issuing the license /authorized copy of the license and the documents attached herewith shall be registered in a statement, the copy of which shall be sent (handed over) to the applicant of the license/ authorized copy of the license, containing a note regarding the date of application registration certified by the signature of the responsible officer of the National Bank of Moldova.
(9) The application for issuing the license/ authorized copy of the license shall not be accepted for examination, if:

a) it was signed (handed over) by a person with inadequate attributions;
b) not all the documents, provided for by this article, were submitted;
c) the documents were drawn up without complying with this article's requirements.
(10) The applicant of the license/ authorized copy of the license shall be notified in written form about the refusal to examine the application for issuing the license/ authorized copy of the license within 3 working days at the most following the date of application's registration, stipulating the reasons for refusal.
(11) After removing the causes that led to the refusal of the acceptance of the application for issuing the license/ authorized copy of the license, the applicant of the license/ authorized copy of the license shall be allowed to submit a new application that will be examined in accordance with established procedure.

Article 48. The Decision on the License Issuance or the Rejection of the Application for Issuing the License
(1) The National Bank of Moldova shall adopt the decision on the issuance of the license /authorized copy of the license or the decision on the rejection of the application for issuing the license /authorized copy of the license, within the period of 15 working days at most following the date of the application's registration.
(2) Prior to the issue of the license /authorized copy of the license, the National Bank of Moldova shall have the right to verify, directly at the location of the foreign exchange entity /branch of the foreign exchange office, the compliance of the real facts with the information from the submitted documents.
(3) The reason for rejecting the application for issuing the license /authorized copy of the license shall be the identification by the National Bank of Moldova of the unauthentic data in the documents submitted by the applicant for license/authorized copy of the license.
The failure to observe the provisions set under paragraph (5) Article 66 shall also constitute the reason for rejecting the application for license issuance.
(4) The applicant shall be notified regarding the adoption of the decision on the issuance of the license /authorized copy of the license or the rejection of the application for issuing the license /authorized copy of the license on the day following the adoption of the decision at the latest, indicating the reasons for application's rejection.
(5) In case of the rejection of the application for issuing the license/ authorized copy of the license, the applicant may submit a new application for issuing the license/ authorized copy of the license following the removal of the causes that led to the rejection of the previous application.

Article 49. License Issuance
(1) The license/ authorized copy of the license shall be issued within 3 working days following the date of receiving the document that confirms the payment of the fee for issuing the license /authorized copy of the license, as well as, in case of requesting the issuance of the authorized copy of the license for the branch of the foreign exchange office, of the original of the foreign exchange office's license (which is returned to the applicant upon the issuance of the authorized copy of the license). The note regarding the date of receiving the mentioned documents shall be entered into the statement of documents received from the applicant for the license/ authorized copy of the license.

(2) In case the applicant did not, within 30 calendar days following the date the notice on the decision adoption regarding the issuance of the license /authorized copy of the license was sent (handed over) to him, submit without any ground the documents specified in paragraph (1) or did not appear to receive the license /authorized copy of the issued license, the National Bank of Moldova has the right to cancel the decision on the issuance of the license /authorized copy of the license, or to adopt a decision stating the invalidity of the license /authorized copy of the license.
(3) In the event the foreign exchange office or the hotel, which holds the license of the National Bank of Moldova (hereinafter - the license holder) intends to carry out currency exchange activity in cash with individuals after the expiration of the license validity term, the license holder has the right to request a 5-year prolongation of the license term while paying the fee for license issuance established by this Law for the following period. In this case in the license shall be applied a note on the prolongation of the license validity term, indicating the new validity term. The application on the license of the note on the prolongation of the license validity term may be performed before the expiration of the current license validity term. In this case, the new term of validity of the license shall start the next calendar day following the day when the prior validity term of the license has expired.
In the event of the prolongation of the validity term of the license issued to the foreign exchange office that has branches, the authorized copies of the license shall be substituted with the authorized copies of the license with the new validity term and the fee for the issuance of the authorized copy of the license established by this Law for the following period shall be paid.
(4) The license holder shall not have the right to pass over the license /authorized copy of the license to another person.

Article 50. Incidence and Validity Term of the License
(1) The licenses /authorized copies thereof shall be valid for the performance of the currency exchange activity only at the addresses indicated therein.
(2) The license for carrying out the currency exchange activity in cash with individuals shall be issued for a period of 5 years.

Article 51. The Modification of Data from the Documents Attached to the Application for the Issuing of License
(1) The license holder shall be obliged to notify the National Bank of Moldova about all the modifications of the data from the documents attached to the application for the issuing of the license / authorized copy of the license.
(2) The notice shall be submitted to the National Bank of Moldova within 10 working days following the changes occurred, together with the documents confirming the modifications concerned. The documents shall be submitted according to the provisions of paragraph (7) Article 47.
(3) In case the location of the foreign exchange office, the branches thereof, of the foreign exchange bureau by hotel is changed, following the submission by the license holder of the notice and of the respective documents, the National Bank of Moldova shall have the right to verify, directly at the location of the foreign exchange entity /branch of

the foreign exchange office, the compliance of the real facts with the information from the submitted documents.
(4) In case at least one supplementary operational window was opened within the foreign exchange office or the branch thereof, the foreign exchange office shall, additionally to the information regarding the modification of the operational windows' quantity, submit the documents specified under item e) paragraph (2), item d) paragraph (4), item d) paragraph (6) Article 47, as well as the documents specified under items f) - h) paragraph (2), items e) – g) paragraph (4) Article 47, in case the additional operational window was opened within a premise other than the one where other operational windows are located.

Article 52. License Updating
(1) The reasons for the updating of license /authorized copy of the license shall be the change of the name of the license holder and the modification of other data from the license /authorized copy of the license.
(2) In case there are reasons for the updating of the license /authorized copy of the license, the license holder shall be obliged to submit to the National Bank of Moldova, within 10 working days, an application for updating with the license /authorized copy of the license to be updated and the documents confirming the respective modifications. The documents shall be submitted according to the provisions of paragraph (7) Article 47.
(3) The National Bank of Moldova shall adopt the decision on the updating of the license /authorized copy of the license within 10 working days following the date of submission of the application for updating and of the documents attached therewith. The procedure of issuing the updated license/ authorized copy thereof shall be established by the National Bank of Moldova.
(4) The validity term of the updated license shall not exceed the validity term of the previous license.
(5) During the period of examining the application for the updating of the license /authorized copy of the license, the holder thereof /the branch of the foreign exchange office may continue its activity on the basis of a certificate issued by the National Bank of Moldova.
(6) The license /authorized copy of the license that was not updated within the established term shall not be valid.

Article 53. Issuance of the License Duplicate
(1) The reasons for issuing the duplicate of the license /authorized copy of the license shall constitute the loss or the damage thereof.
(2) In case of loss of the license /authorized copy of the license, the license holder shall be obliged to submit, within 15 working days, to the National Bank of Moldova an application for issuing the duplicate of the license /authorized copy of the license.
(3) In case the license /authorized copy of the license is damaged and cannot be used, the holder thereof shall submit to the National Bank of Moldova an application for the issuance of the respective duplicate, with the damaged license/ authorized copy of the license attached therewith.
(4) The National Bank of Moldova shall issue the duplicate of the license /authorized copy of the license within 3 working days following the date of the submission of the application for the issuance of the respective duplicate.

(5) The validity term of the license duplicate shall not exceed the validity term indicated in the lost or damaged license.
(6) In case of issuance of the duplicate of the license /authorized copy of the license, the National Bank of Moldova shall adopt a decision stating the invalidity of the lost or damaged license /authorized copy of the license.
(7) During the period of examining the application for the issuance of the duplicate of the license /authorized copy of the license, the holder thereof /the foreign exchange office's branch may carry out foreign exchange activity on the basis of a certificate issued by the National Bank of Moldova.

Article 54. License Fee
(1) The fee for license for carrying out currency exchange activity in cash with individuals which is issued to the foreign exchange entities, specified in paragraphs (1) and (5) Article 47 shall be established in an amount of 2500 Lei.
(2) In case of license` applicants registered 1 year at the most prior to the submission of the application for issuing of license, the fee for license issuance shall constitute 50 percent of the fee established in paragraph (1).
(3) The fee for issuing the authorized copy of the license, for updating of the license /authorized copy of the license shall be established in an amount of 250 Lei, and for the issuance of the duplicate of license /authorized copy of the license – 450 Lei.
(4) The fee amounts indicated in paragraphs (1) – (3) shall be paid into the state budget.

CHAPTER VI
AUTHORIZATION OF FOREIGN EXCHANGE OPERATIONS BY THE NATIONAL BANK OF MOLDOVA

Article 55. Authorization of Foreign Exchange Operations
(1) In order to obtain the authorization for performing foreign exchange operations subject to authorization under the provisions of this Law (authorization), the applicant shall submit to the National Bank of Moldova an application with the identification documents and documents related to foreign exchange operations attached therewith, for which the authorization of the National Bank of Moldova is requested.
The authorization shall be obtained before the performance of the respective foreign exchange operation.
(2) The National Bank of Moldova shall decide on the issuance of the authorization or on the refusal of the authorization issuance within the period of 15 working days following the date the application was received.
(3) The National Bank of Moldova shall have the right to authorize the foreign exchange operation or to refuse the issuance of the authorization, taking into account the fundamental objective of the National Bank of Moldova stipulated by the Law no.548-XIII of July 21, 1995 on the National Bank of Moldova, the current conditions of the money, credit and foreign exchange market, the situation of the balance of payments of the Republic of Moldova, the provisions of the legislation of the Republic of Moldova.
(4) Reasons for the refusal of issuing the authorization shall also be, as follows:
a) failure to submit the full set of documents, in accordance with the normative acts of the National Bank of Moldova;

b) failure of the submitted documents to comply with the requirements of the normative acts of the National Bank of Moldova;
c) application by the National Bank of Moldova to the applicant-licensed bank of remedial measures related to foreign exchange operation, for which the issuance of the authorization is requested;
d) submission of documents containing unauthentic or contradictory data;
e) failure of the applicant to meet the conditions of authorization.
(5) In the event the issuance of the authorization to perform foreign exchange operation was refused, the National Bank of Moldova shall inform the applicant in written form hereof, indicating the reason for refusal.
(6) The National Bank of Moldova shall establish, as follows:
a) the list of documents to be attached to the application for issuing the authorization for the performance of foreign exchange operation, as well as the requirements for the specified application;
b) the procedure of authorizations' issuance, the requirements regarding the submission of data changes in the documents attached to the application for issuing the authorization, provisions on the authorization validity, as well as provisions with regard to the application of sanctions stipulated by the legislation of the Republic of Moldova;
c) conditions of authorization and performance of foreign exchange operations subject to authorization.
(7) The National Bank of Moldova shall have the right to apply sanctions to authorizations' holders under the provisions of the Law no.548-XIII of July 21, 1995 on the National Bank of Moldova, the Law on financial institutions no.550-XIII of July 21, 1995, as well as the provisions of the normative acts of the National Bank of Moldova, worked out for the enforcement of the specified laws.
(8) The documents attached to the application for issuing the authorization for performing foreign exchange operation shall be submitted to the National Bank of Moldova in original or copies, with the submission of their originals for verification.
(9) The National Bank of Moldova shall keep records of the authorizations issued for performing foreign exchange operations.

CHAPTER VII
SAFEGUARD MEASURES

Article 56. Safeguard Measures
(1) In the event when capital flows into /from the Republic of Moldova causes or threaten to cause serious difficulties in promoting the monetary and /or foreign exchange policy, safeguard measures may be undertaken.
(2) The National Bank of Moldova shall take the decision on applying the safeguard measures in consultations with the Government, by immediate notification of the Parliament.
(3) Safeguard measures may be applied to all or certain categories of residents and nonresidents, as well as to all or certain types of foreign exchange operations in foreign currency and /or national currency specified in paragraph (5).
(4) The period of safeguard measures' application shall not exceed six months following the date of introduction thereof.

(5) Safeguard measures shall include, as follows:
a) prohibition or restriction of direct investments abroad and /or of real estate operations abroad performed by residents;
b) prohibition or restriction of the reception /granting of loans /credits and guarantees between residents and non-residents, except for the reception /granting of loans /credits within current foreign exchange operations;
c) prohibition or restriction of performing operations with financial instruments between residents and non-residents;
d) prohibition or restriction of opening by residents of accounts in foreign currency with licensed banks, as well as of accounts opening abroad;
e) prohibition or restriction of opening by non-residents of accounts with licensed banks;
f) prohibition or restriction of withdrawal by residents and non-residents of funds in cash and traveller's cheques from their accounts opened with licensed banks;
g) restriction on import into, sending into /from, export from the Republic of Moldova of cash in foreign currency and national currency, of materialized securities and payment instruments;
h) impose of mandatory sale of foreign currency by residents;
i) prohibition or restriction of foreign currency purchase /sale by residents and /or nonresidents on the foreign exchange market of the Republic of Moldova, except for foreign currency purchase /sale related to current foreign exchange operations and to operations related to direct investments of non-residents in the Republic of Moldova;
j) prohibition or restriction of payments and transfers in foreign currency on the territory of the Republic of Moldova;
k) impose of the obligation of depositing foreign currency on non-interest-bearing accounts.
(6) During the period of safeguard measures' application, the provisions of this Law, of other legislative and normative acts of the Republic of Moldova shall be applied to the extent that these do not come into conflict with the safeguard measures.
(7) The National Bank of Moldova shall establish the conditions and the procedure of safeguard measures' application.

CHAPTER VIII
FOREIGN EXCHANGE CONTROL
Section 1
General Provisions

Article 57. General Provisions on Foreign Exchange Control
(1) Foreign exchange operations of residents and non-residents shall be subject to foreign exchange control.
(2) Foreign exchange control shall mean the set of measures applied by authorities and agents of foreign exchange control, for the purpose of ensuring the observance by residents and non-residents of the provisions of foreign exchange legislation.
(3) The basic objectives of foreign exchange control shall be, as follows:
a) control of the compliance of foreign exchange operations performed by residents and non-residents with the provisions of the foreign exchange legislation, as well as the

observance of the requirements stated in the authorizations /permissions issued under the foreign exchange legislation;
b) control of the plenitude and the accuracy of keeping records and reporting of foreign exchange operations;
c) identification of cases of the foreign exchange legislation infringement and application of corresponding sanctions.
(4) Following the foreign exchange control performed by the authorities of foreign exchange control, a control act (report) shall be worked out.

Article 58. Authorities and Agents of Foreign Exchange Control
(1) The authorities of foreign exchange control shall be, as follows:
a) the National Bank of Moldova;
b) customs authorities;
c) fiscal authorities;
d) the National Commission of Financial Market;
e) the Centre for Combating Economic Crimes and Corruption;
f) the Court of Accounts.
(2) The agents of foreign exchange control shall be, as follows:
a) licensed banks;
b) foreign exchange offices and hotels holding the licenses of the National Bank of Moldova;
c) resident legal entities that, under the legislation of the Republic of Moldova, have the right to render services related to the exchange of postal money orders, by means of which residents and non-residents receive /make payments and transfers within foreign exchange operations.
(3) The National Bank of Moldova shall perform the control with regard to the observance of the foreign exchange legislation by the agents of foreign exchange control (including within on-site controls), as well as the observance of the requirements of the authorizations issued by the National Bank of Moldova under the provisions of this Law.
(4) The authorities of foreign exchange control specified under items b)-f) paragraph (1) shall perform the control of the observance of the foreign exchange legislation within the limits of their competence and under the provisions of the legislation of the Republic of Moldova.
(5) The agents of foreign exchange control shall perform the control of payments /transfers within foreign exchange operations, made by residents and non-residents through such agents.
(6) The authorities of foreign exchange control shall collaborate with the view of exercising the powers relevant to foreign exchange control.

Article 59. Powers of the Authorities of Foreign Exchange Control
The authorities of foreign exchange control, within their competence, shall have the following powers:
a) to perform controls of the observance of the provisions of foreign exchange legislation, as well as of the requirements of the authorizations /permissions issued according to the foreign exchange legislation;

b) to request the submission of documents and information regarding foreign exchange operations, according to the requirements of the foreign exchange legislation;
c) to perform the control of the plenitude and the accuracy of keeping records and of foreign exchange operations reporting;
d) to request the removal of the identified infringements;
e) to apply to offenders the sanctions provided for by the legislation of the Republic of Moldova;
f) to exercise other powers under the legislation of the Republic of Moldova.

Article 60. Functions of the Agents of Foreign Exchange Control
(1) The agents of foreign exchange control, within the limits of their competence, shall have the following functions:
a) to ensure, upon the reception /making of payments and transfers within foreign exchange operations, the observance by residents and non-residents of the provisions of foreign exchange legislation, as well as the observance of the requirements of authorizations issued under the foreign exchange legislation;
b) in cases provided for by the foreign exchange legislation, to request from residents and non-residents the submission of documents justifying the reception / making of payments and transfers within foreign exchange operations;
c) to submit, according to the legislation of the Republic of Moldova, to the authorities of foreign exchange control, documents, information and explanations regarding the payments and transfers within foreign exchange operations received /made through the agents of foreign exchange control;
d) to fulfill other functions provided for by the legislation of the Republic of Moldova.
(2) For the purpose of fulfilling the functions thereof, the agents of foreign exchange control shall have the right to request from residents and non-residents verbal and /or written explanations regarding the received /made payments and transfers within foreign exchange operations.
(3) The agents of foreign exchange control shall refuse making payments and transfers within foreign exchange operations initiated by residents or non-residents in the event of the identification of non-observance by residents and non-residents of the foreign exchange legislation provisions, as well as of the requirements of the authorizations issued under the foreign exchange legislation.

Article 61. Rights and Obligations of Residents and Non-Residents
(1) Residents and non-residents shall have the rights, as follows:
a) to get familiar with the results of the controls carried out by the authorities of foreign exchange control and stated in the control acts (reports);
b) to provide to the authorities of foreign exchange control objections and explanations concerning the facts stated in the control acts (reports);
c) to appeal, under the legislation of the Republic of Moldova, the actions and the decisions of the authorities of foreign exchange control related to the performed foreign exchange control;
d) to exercise other rights under the legislation of the Republic of Moldova.
(2) Residents and non-residents shall be obliged, as follows:

a) in cases provided for by the foreign exchange legislation, to submit to the agents of foreign exchange control the documents justifying the reception /making of payments and transfers within foreign exchange operations;
b) to ensure, within the limits established by the legislation of the Republic of Moldova, the access of authorities of foreign exchange control to their premises, as well as to the documents and information necessary for the performance by these authorities of on-site controls;
c) to submit to the authorities of foreign exchange control the documents and the information regarding the foreign exchange operations, according to the requirements of the foreign exchange legislation;
d) in cases provided for by the legislation of the Republic of Moldova, to keep records of foreign exchange operations and work out reports on the performed foreign exchange operations, to ensure the keeping of documents and reports within the terms established under the legislation;
e) to fulfill the prescriptions of the authorities of foreign exchange control on the removal of the committed infringements;
f) to carry out other obligations provided for by the legislation of the Republic of Moldova.

Section 2
Control of the Foreign Exchange Entities' Activity

Article 62. Peculiarities of the Control of the Foreign Exchange Entities' Activity
(1) The National Bank of Moldova, within its competence, shall perform the control of the observance by the foreign exchange entities of the provisions of this Law.
(2) The National Bank of Moldova shall perform scheduled controls of the foreign exchange entities' activity once during the calendar year at the most, by co-optation, depending on the case, of the representatives of institutions with regulatory and control functions, according to the competence thereof.
(3) The National Bank of Moldova shall perform unscheduled controls of the foreign exchange entities' activity in the following cases:
a) for the purpose of verifying the fulfillment of the requirements for the removal of the identified infringements within the specified period of time by the foreign exchange entities;
b) based on the written notifications, submitted under the provisions of the legislation on consumers' rights protection ;
c) based on the written notifications received from institutions with regulatory and control functions on infringement by the foreign exchange entities of the activity conditions, provided for by this Law;
d) based on the self-notification – in situations of instability on the foreign exchange market.
(4) The control within the foreign exchange entity shall be performed by the employees of the National Bank of Moldova on the basis of a written decision of the National Bank of Moldova, about which the foreign exchange entity shall be duly notified. This decision shall compulsorily indicate the name of the foreign exchange entity subject to control, the employees appointed to perform the control and the date of control performance.

(5) A control report, in 2 copies, shall be worked out on the basis of the control results and signed by the employees of the National Bank of Moldova who performed the control and by the authorized person of the foreign exchange entity subject to control. In the event that the respective person refuses to sign the control report, the employees of the National Bank of Moldova shall state the fact of refusal in the respective report. One copy of the control report shall be handed over to the foreign exchange entity, while the second one shall be kept with the National Bank of Moldova.
(6) In case of disagreement with the control results, the foreign exchange entity, within 5 working days following the date of working out of the control report, may present, in written form, the grounds for disagreement, by attaching the adequate documents.

Article 63. Sanctions Applied to the Foreign Exchange Entities
(1) The National Bank of Moldova shall apply sanctions to foreign exchange entities under the provisions of this Law, the Law no.548-XIII of July 21, 1995 on the National Bank of Moldova, the Law on financial institutions no.550-XIII of July 21, 1995, as well as the provisions of the normative acts of the National Bank of Moldova worked out in pursuance of the specified Laws.
(2) In case of infringement of the provisions of this Law, of the Law on financial institutions no.550-XIII of July 21, 1995 and of the normative acts of the National Bank of Moldova regarding the activity of the foreign exchange bureaux of the licensed banks, the National Bank of Moldova may apply to licensed banks remedial and sanction measures, under the provisions of Article 38 of the Law on financial institutions no.550-XIII of July 21, 1995.
(3) In case of infringement of the provisions of this Law and of the provisions of the normative acts of the National Bank of Moldova regarding the activity of the foreign exchange offices and foreign exchange bureaux by hotels, the National Bank of Moldova may apply to the license holders (foreign exchange offices and hotels) the following sanctions:
a) issuance of a written warning;
b) application of a fine according to Article 75 of the Law no.548-XIII of July 21, 1995 on the National Bank of Moldova;
c) partial or total suspension of the activity;
d) withdrawal of the license.

Article 64. Warning Issuance
(1) The warning shall be issued by the National Bank of Moldova in case the license holder committed infringements that are not mentioned in Articles 65 and 66.
(2) The warning shall be issued within 15 working days following the date the control report was worked out and the license holder shall be notified accordingly.
(3) The warning shall contain, as a rule, the requirements of removal of identified infringements within the established period, recommendations regarding the way of their remediation, as well as the warning on the possible activity suspension or license withdrawal, if these infringements are not removed within the established period.
(4) The license holder shall be obliged to notify in written form the National Bank of Moldova with regard to the removal of the circumstances that led to the warning issuance.

Article 65. Suspension and Resumption of the Activity of the Foreign Exchange Office and Foreign Exchange Bureau by Hotel

(1) The reasons for partial or total suspension of the activity of the foreign exchange office and of the foreign exchange bureau by hotel shall be, as follows:

a) failure of the license holder to fulfill, within the established period, the requirements regarding the removal of infringements indicated in the warning;

b) carrying out, by the branch of the foreign exchange office, of the activity without the authorized copy of the license to be obtained according to the provisions of this Law;

c) failure of the license holder to abide by the deadline of submitting the application for issuing the duplicate of the license /authorized copy of license, which was lost or deteriorated;

d) failure to observe by the foreign exchange office of the requirements established in paragraphs (4) and (6) Article 42, paragraphs (9), (11) - (15) Article 43, paragraphs (1) - (6) Article 44;

e) failure to observe by the hotel holding the license of the National Bank of Moldova the requirements established in paragraphs (4) and (6) Article 42, paragraphs (9), (11) - (15) Article 43;

f) withstanding the performance of the control of the activity of the license holder and /or avoiding the submission of information and of documents requested within the control performance.

(2) The decision on the activity suspension shall be adopted by the National Bank of Moldova within 15 working days following the date of identifying the reasons therewith and the license holder shall be notified accordingly within 3 working days following the date of the decision's adoption, indicating the reasons for activity suspension. The term of suspension of the license holder activity shall not exceed two months.

(3) The license holder shall be obliged to inform in written form the National Bank of Moldova about the removal of the circumstances, which led to its activity suspension.

(4) The decision on the resumption of the license holder activity shall be adopted by the National bank of Moldova within 5 working days following the reception of the notification and after the verification, if necessary, of the fact regarding the removal of circumstances that led to the activity suspension, but not earlier than the expiration of the activity suspension term established by the National Bank of Moldova. The license holder shall be notified with regard to the adopted decision within 3 working days following the date of its adoption.

(5) The license validity term shall not be extended for the period of activity suspension.

Article 66. Withdrawal of the License Issued to the Foreign Exchange Office, Hotel

(1) The reasons for the withdrawal of the license issued by the National Bank of Moldova to the foreign exchange office or to the hotel shall be, as follows:

a) identification of certain unauthentic data in the documents submitted to the National Bank of Moldova;

b) determining of the fact of transmission of the license or of the authorized copy of the license to another person with the purpose of carrying out the activity stipulated in the license;

c) failure to remove, within the established period, of the circumstances that led to the suspension of the activity of the license holder;
d) determining of the fact of the continuation of the activity by the foreign exchange office /foreign exchange bureau by hotel, the activity of which was suspended.
(2) The National Bank of Moldova shall adopt the decision on withdrawal of the license within the period of 15 working days at the most following the date of establishing the respective reason and shall notify, within three working days following the date of the decision adoption, the license holder, indicating the reasons of the license's withdrawal.
(3) In case of license's withdrawal the fee for license issuance shall not be returned.
(4) The license holder shall be obliged, within 10 working days following the date of the adoption of the decision on license's withdrawal, to submit to the National Bank of Moldova the withdrawn license and the authorized copies of the license, in case the foreign exchange office has branches;
(5) The license holder whose license was withdrawn may submit a new application for issuing the license for carrying out the currency exchange activity in cash with individuals after two months following the date of submitting of the withdrawn license to the National Bank of Moldova.

CHAPTER IX
FOREIGN EXCHANGE OPERATIONS REPORTING

Article 67. Submission of Reports on Foreign Exchange Operations
(1) For the purpose of fulfilling its functions related to the field of foreign exchange regulation, including the foreign exchange control, the National Bank of Moldova shall have the right to require the submission of reports on foreign exchange operations of residents and non-residents.
(2) The reports specified in paragraph (1) may be required from, as follows:
a) residents and non-residents performing foreign exchange operations; and /or
b) agents of foreign exchange control.
(3) The National Bank of Moldova shall establish, as follows:
a) the foreign exchange operations subject to report;
b) the categories of residents and non-residents whose foreign exchange operations are subject to report;
c) the cases when the reporting of foreign exchange operations is made directly by residents and non-residents or indirectly through the agents of foreign exchange control;
d) the frequency, deadlines and procedure of foreign exchange operations' reporting.
(4) Persons specified in paragraph (2) shall be obliged to submit to the National Bank of Moldova the reports on foreign exchange operations according to the provisions of the normative acts of the National Bank of Moldova.

CHAPTER X
RESPONSIBILITY FOR THE INFRINGEMENT OF THE FOREIGN EXCHANGE LEGISLATION

Article 68. Responsibility for the Infringement of the Foreign Exchange Legislation

(1) Persons that are guilty for the infringement of the provisions of the foreign exchange legislation shall be accountable under the legislation of the Republic of Moldova.
(2) Enforcing the legal entity accountable according to the provisions of the legislation of the Republic of Moldova shall not exonerate the officials thereof from criminal, administrative or other form of accountability provided by the legislation of the Republic of Moldova, if there are respective reasons.
(3) Enforcing the legal liability shall not exonerate the responsible person from the obligation to comply with the provisions of the foreign exchange legislation.

CHAPTER XI
FINAL AND TRANSITORY PROVISIONS

Article 69. Transitory Provisions
(1) Resident legal entities rendering hotel services and the foreign exchange offices, which submitted to the National Bank of Moldova the documents with a view to obtain the license for carrying out the currency exchange activity in cash with individuals, and did not obtained licenses until the date this Law becomes effective, shall comply with the requirements of this Law.
(2) The existent foreign exchange entities shall carry out the currency exchange activity within the limits established by this Law following the date this Law becomes effective.
(3) The resident legal entities rendering hotel services and the foreign exchange offices that hold authorizations /licenses issued by the National Bank of Moldova before the enforcement of this Law in order to perform currency exchange activity with individuals, shall be obliged, within 30 working days following the date this Law becomes effective, to submit to the National Bank of Moldova an application for updating of the authorization /license, according to the requirements established by the National Bank of Moldova, attaching the originals of the respective authorizations /licenses, as well as the documents, indicated under items j) and l) paragraph (2), item f) paragraph (6) Article 47.
(4) The National Bank of Moldova shall, within 30 working days following the date of submitting the application for updating and of the attached documents indicated in paragraph (3), issue the updated license.
(5) The validity term of the license updated under the provisions of this Article, shall not exceed the validity term of the previous license. The license issued according to the provisions of this Article on the basis of the authorization, which had unlimited validity term on the date when this Law becomes effective, shall have the validity term of five years.
(6) During the period of the examination of the application for updating of the license /authorization, indicated in paragraph (3), the holder thereof can continue the currency exchange activity on the basis of a certificate issued by the National Bank of Moldova.
(7) Licenses /authorizations issued by the National Bank of Moldova before this Law becomes effective and which were not updated according to this Article shall be considered invalid.
(8) No fee shall be levied for the updating of licenses /authorizations under the provisions of this Article.

Article 70. Final Provisions

(1) This Law shall become effective after the expiration of 6 months following the date of its publication.
(2) This Law is compatible with the provisions of Article 59, Chapter 4 "Capital and payments", Title III "Free movement of persons, services and capital", Part three "Community policies" of the Treaty establishing the European Community (consolidated version published in the Official Journal of the European Union (OJ) C 321E, December 29, 2006), as well as with the provisions of Annex I to the Council Directive of 24 June 1988 for the implementation of Article 67 of the Treaty (88/361/EEC) (published in the Official Journal of the European Communities (OJ) L 178, July 8, 1988).
(3) Within six months following the date of this Law publication:
1) the Government shall:
a) in consent with the National Bank of Moldova, present for examination to the Parliament the proposals that bring the legislation in force in compliance with this Law;
b) bring its normative acts in compliance with this Law.
2) the National Bank of Moldova shall bring its normative acts in compliance with this Law.

CHAIRMAN OF THE PARLIAMENT
MARIAN LUPU
Chisinau, March 21, 2008.
No 62-XVI
* List of legislative acts that modified or completed
the Law on Foreign Exchange Regulation
1. Law No.116 as of June 17, 2010, in force from July 20, 2010;
Official Monitor of the Republic of Moldova No.124-125 of July 20, 2010, art.396.

- **Law No 463-XIII on Post (18.05.95)**

Chapter I
GENERAL PROVISIONS

Article 1 - The present law establishes the main rules and terms of management, development and use of public postal services in the Republic of Moldova, the rights and duties of the state, of physical and legal persons in the sphere of communications between people and transportation of material assets.

Article 2. - The following concepts are used in the present law:

postal network - the entirety of postal units and routes;

mail items - mail (letters, postcards, printed editions, small packages, telegrams), parcels (documents, values, material assets), money funds (postal and telegraphic money orders, pensions, allocations, subsidies etc.), submitted to postal operators for transportation and delivery to the addressee, both within the country and beyond its borders;

registered mail items - while submitting these items the sender is given a receipt;

postal services - reception, transportation and delivery of mail items to the addressee;

basic postal services - postal services provided on the level of the entire country regarding:

- mail;
- parcels;
- postal and telegraphic money orders;
- delivery of pensions, allocations and subsidies;

postal services open to competition - express postal services regarding parcels.

Article 3. - (1) Postal communications represent a unique technological system of enterprises and vehicles providing reception, transportation and delivery of mail items, as well as transportation of money funds, delivery of pensions, allocations, subsidies and other special purpose payments.

(2) The present law guarantees to any physical and legal person the access to postal services on the entire territory of the country, as well as to unrestricted sending and transit of postal items.

Article 4. - (1) The existing means of postal communications on the territory of the country on the date of adoption of the present law constitute state property.

(2) Postal networks can belong to legal persons on the basis of state or private property.

Article 5. - Postal operators who are legal persons empowered by the present law provide postal services.

Article 6. - (1) The Constitution, the present law and other normative acts guarantee the secrecy of letters, telegrams and other mail items. The persons employed in postal activities are obliged to ensure such secrecy. It is forbidden to violate the secrecy of mail and to divulge its contents.

(2) In order to detect the infringements and to establish the truth in criminal procedures postal operators are obliged to provide the mail items representing material evidences and the required documents to the prosecuting authorities and courts. Seizure and withdrawal of mail items postal units are conducted only with the sanction of the public prosecutor as provided by the law.

Article 7. - (1) Postal activity is conducted as provided by the present law, the applicable normative acts and to the international conventions and agreements ratified by the Republic of Moldova as a member of the Universal Postal Union.

(2) In case the international conventions and agreements, to which the Republic of Moldova is a party, contain other provisions than the ones stipulated by the legislation of the Republic of Moldova, the provisions of the international conventions and agreements shall prevail.

Article 8. - The order of delivery of special mail of public authorities, military units and national security authorities is established by the Government.

Chapter II
PUBLIC ADMINISTRATION

Article 9. - The central branch public administration authority in the field of postal communications is the Ministry of Communications (hereinafter - the ministry). As the Postal Administration of the Republic of Moldova the ministry represents the Government in international organizations by virtue of the powers delegated to it, coordinates the international postal activity conducted by physical and legal persons of the Republic of Moldova, regulates the postal activity at the national level.

Article 10. - The Ministry implements the Government's policy by means of:

a) determination of development strategy for the postal network;

b) regulation of postal activity in order to ensure the postal services' harmonious development at the national level, their efficiency and variety, as well as to improve their quality;

c) regulation of postal tariffs;

d) licensing for provision of postal services open to competition;

e) control of performance by postal operators of their official duties;

f) negotiation with other countries' authorities regulating postal services or with the relevant international organizations and participation, if necessary, in conventions and agreements;

g) determination of the order and terms of use of postal networks in the interests

of defense and national security under extraordinary circumstances and in a state of emergency.

Article 11.- Provision of the basic postal services and defrayal of expenses on their development are allocated from the state budget.

Article 12. - Under extraordinary circumstances and under a state of emergency the Government or the ministry on its behalf can restrict or stop the provision of postal services, having announced such decision.

Article 13. - (1) The ministry has the exclusive right to issue, introduce stamps and withdraw them out of circulation. It prepares annual programs of their release, establishing their structure and subjects.

(2) The subjects of postal stamps should reflect history, culture, science, nature, and the main sociopolitical events in the country and in the world. Experts in various spheres of activity, as well as representatives of non-governmental organizations are involved in the planning of subjects.

(3) The ministry's philatelic policy should promote the development of stamp- collecting activity by various categories of the population, by means of fixing reasonable face values of stamps and fulfillment of relevant international conventions and agreements to which the Republic of Moldova is a party.

Chapter III
POSTAL SERVICES

Article 14. - (1) The national operator authorized to provide the basic postal services is the State Enterprise "Posta Moldovei", which operates on the basis of the charter approved by the ministry. The right of use of "Posta Moldovei"'s emblem belongs exclusively to this enterprise.

(2) Postal activity is regulated by the Postal Rules - a separate normative act, approved by the Government.

Article 15. - Both "Posta Moldovei" and other postal operators-holders of licenses can provide postal services open to competition.

Article 16. - Postal operators are obliged to ensure the provision of postal services as provided by the Postal Rules, made known to the customers.

Article 17. - Operators providing postal services open to competition bear the responsibility towards the customer, as provided by the legislation.

Article 18. - The ministry supervises the quality of postal services provided by the state postal operators and postal operators-holders of licenses.

Article 19. - The ministry is entitled to conclude contracts with enterprises other than "Posta Moldovei" concerning the provision of postal services, with the exception of the basic services, on a certain territory.

Article 20. - (1) Postal services are provided for a consideration, according to the fixed tariffs, made known to the customers.

(2) Tariffs for the basic postal services provided by "Posta Moldovei" are approved
in the order established by the Government.

(3) Tariffs for postal services open to competition are fixed by operators-holders of
licenses

Article 21. - (1) Mail items received by "Posta Moldovei" may be franked only with the official stamps of the Republic of Moldova.

(2) On the territory of the Republic of Moldova is allowed the use of postal certificates, international reply coupons and other forms, approved by the Universal Postal Union.

Article 22. - (1) The main technical and qualitative norms for the basic postal services are established by the ministry. Letters are delivered in a term not exceeding three working days from the date of their reception or arrival in the country.

(2) "Posta Moldovei" formulates instructions regarding the order of provision of its own services, approved by the ministry.

Article 23. - (1) "Posta Moldovei" organizes and ensures the provision of the basic postal services on the entire territory of the country, on every working day.

(2) In towns and cities-residences postal offices will function on Saturdays for 4 hours and on Sundays will function at least one post office on duty. On Sundays should be ensured the transmittal of the text of urgent telegrams.

(3) Customers are informed of the order and terms of provision of postal services.

(4) Deliberate delay or obstruction of transportation and delivery of the mail items are forbidden.

Article 24. - "Posta Moldovei" is entitled to reserve letterboxes for arrangement in public places.

Article 25. - Public administration authorities support "Posta Moldovei" by allocating spaces required for the provision postal services.

Article 26. - (1) "Posta Moldovei" is obliged to deliver all the accepted mail items, whether franked or not sufficiently franked.

(2) "Posta Moldovei" is responsible for the loss, damage, theft, missing contents and wrong delivery of registered mail items.

Article 27. - "Posta Moldovei" bears no responsibility for the mail items in case the damage is caused through the sender's fault or due to extraordinary circumstances or to the state of emergency.

Article 28. - "Posta Moldovei" bears responsibility for international mail items as provided by international conventions and agreements, to which the Republic of Moldova is a party.

Article 29. - In conducting international post exchanges postal operators benefit from free access and priority at border points and in customs authorities.

Article 30. - "Posta Moldovei" can refuse to receive any mail item if for the reason of its acceptance into the postal traffic life or health of any persons is endangered or material losses can be caused or other mail items can be damaged.

Article 31. - By virtue of the accepted obligations to preserve the secrecy of mail items, the postal operator has no right:

a) to inform a third party, except for the sender, the addressee or the person entitled
to reception, the data on mail items;

b) to transfer the mail item to a third party in view of acquaintance with its
contents.

Article 32. - (1) The postal enterprise is not entitled to open the mail items if the latter can not be delivered or re-addressed for the reason of missing addresses of the sender and the addressee, except for post parcels.

(2) The opening of postal parcels is conducted as provided by the Post Rules.

(Article 32 in the edition of the Law NR. 263-XIV dated 24.12.98)

Article 33. - Detention, isolation and withdrawal of mail items are conducted as provided by the Criminal-Procedure code.

Article 34. - (1) The customer can appeal to the postal operator with the complaint regarding internal mail items within 6 months and regarding external mail items - within 12 months, starting with the next day after the delivery of the mail item.

(2) The postal operator is obliged to respond to the customer's complaint as soon as possible, but not later than in 30 days.

Article 35. - The sender of the mail item bears responsibility towards the postal operator for the damage caused due to the dangerous attributes of the item or to a packing inadequate to its contents, in the volume of damages cost and of the sums paid

as indemnification to other consumers of postal services, whose mail items were damaged due to that fact.

Article 36. - Material assets from the mail items sent through "Posta Moldovei", which could not be handed neither to addressees, nor senders, after the expiration of the terms of claim and storage will be turned to account or destroyed by the specified enterprise, the obtained sums being added to the income of the state budget.

Article 37. - Postal operators-providers of postal services open to competition can use the postal network belonging to "Posta Moldovei" on a contractual basis, as provided by the present law.

Chapter IV
LICENSING

Article 38. - Provision of postal services open to competition is authorized by means of licenses granted to physical and legal persons by the ministry.

Article 39. - (1) The types of postal activity authorized by licenses and the order of licensing are established by

(2) Licenses are granted for every type of postal activity.

(3) The ministry can restrict the sphere of validity of the license granted to a provider of postal services to a region, a town or village.

(4) Licensing is conducted on the direct basis or through a contest (auction) for a consideration added to the income of the state budget.

Article 40. - Denial in licensing should be substantiated. The applicant to whom the license was denied can appeal within 6 months to a competent court of law.

(Article 40 amended by the Law NR. 1009-XIII dated 22.10.1996)

Article 41. - (1) License is granted to a single person and can not be transferred.

(2) In case of death of the physical person-holder of the license, his or her successors are entitled to apply within 6 months to the ministry regarding the renewal of the license in favor of the new holder or its annulment.

(3) Until the decision about the new holder of the license is adopted, the successors can continue the activity authorized by the license.

Article 42. - The Ministry can revoke the license totally or partially in case its holder infringes the conditions stipulated in the license or the legal requirements regarding the mail items secrecy and their inviolability.

Article 43. - The license is granted for the term of at most 10 years with the right of its prolongation, as provided by the law.

Article 44. - The Ministry ensures the publicity regarding the granted licenses.

Article 45, - The following types of activity do not require licensing and do not constitute an infringement of "Posta Moldovei"'s exclusive rights:

a) free-of-charge transportation of mail by the persons authorized by the sender, for delivery to the addressee;

b) transportation of money funds and values within the limits of one settlement by the employees of economic agents, fulfillment of payments, collection of debts or income from the activity of such agents;

c) delivery of special mail of public administration authorities, military units, national security authorities.

Chapter V
RESPONSIBILITIES

Article 46. - The infringement of provisions contained herein results in administrative, material or criminal responsibility, as provided by the legislation.

Chapter VI
FINAL AND TRANSITIVE PROVISIONS

Article 47. - The present law comes into force on the date of its publication.

Article 48. - The government within two months:

- will submit to the Parliament suggestions regarding the adaptation of legislation to the present law;
- will ensure the amendment or annulment by ministries and departments of the normative acts contradicting the present law.

CHAIRMAN OF PARLIAMENT Petru LUCINSCHI

Chisinau, May 18,
1995. NR. 463-XIII

- **Law No 371 on International Legal Assistance in Criminal Matters (01.12.2006)**

Chapter I. General provisions

Article 1. The purpose and regulation area

1) The purpose of this law is the establishment of mechanism of implementation of the provisions of Chapter IX, Section III, Special part of the Criminal Procedure Code related to the international legal assistance in criminal matters, and also of the international conventions in the field, to which the Republic of Moldova is a party to.
2) Application of the present law aims at the protection of interests concerning the sovereignty, security, public order as well as other interests of the Republic of Moldova defined by the Constitution.
3) The provisions of the present law are applied to the following the Republic of Moldova of international legal cooperation in criminal matters:
a) transmittal of records, data and information the Republic of Moldova ;
b) notification of procedural acts;
c) summoning of witness, experts and wanted persons;
d) letters rogatory;
e) transfer, upon request of criminal proceedings;
f) extradition;
g) transfer of convicted persons;
h) recognition of judgments in criminal matters ruled by foreign courts;
i) provision of information to the Republic of Moldova on criminal records;

Article 2. Main definitions

The terms and expressions used in the present law have the following meaning unless there is a different special mention:

a) Request on international legal assistance in criminal matters (hereinafter - request on legal assistance) – request by means of which the assistance in a certain criminal case in one of the situations envisioned by article 1 is requested for:
b) The requesting state – the state which formulates the request on legal assistance;
c) The requested state - the state to which the request on legal assistance is addressed;
d) The transit state - the state through which the transfer of the extradited person from the requested state to the requesting one is carried out.
e) The central authority - the competent authority of the requesting or requested state duly designated for the transmittal of requests on legal assistance.
f) Judicial authority – the courts and the prosecutorial institutions established according to the legislation of the Republic of Moldova, as well as the authorities bearing this function in the foreign state according to the declarations of the latter in the applicable international conventions.

g) Wanted person - the person subject of the order issued by the criminal investigation authority;
h) The person whose extradition is requested - the person who is a subject to an extradition procedure;
i) Extradited person - the person whose extradition has been admitted.
j) Conviction- any punishment which has been applied through a court judgment as a consequence of a guilty verdict for a committed crime;
k) Preventive measure - any measure related to the deprivation of liberty disposed through a judgment for the replenishment or replacement of a punishment.
l) Temporary arrest for extradition - form of pretrial arrest applied by competent court with the view to extradite the person;
m) Court judgment - judgment of a court though which a sentence on conviction is ruled;
n) State of conviction - the state in which the person, who can be transferred or has already been transferred, has been sentenced.
o) State of execution - the state, on the territory of which the sentenced person can be transferred or has been transferred to continue serving the punishment:

Article 3. Application of the reciprocity principle

1) Lacking an international treaty, the international legal assistance can be provided on the basis of the reciprocity principle through diplomatic channels. Securing of reciprocity for all forms of international legal assistance is carried out according to art. 536 part 2 of the Criminal Procedure Code.
2) Provisions of part (1) and the corresponding provisions of the Criminal Procedure Code constitute for the courts of the Republic of Moldova a common law in this field;
3) The lack of reciprocity shall not impede the execution on the territory of the Republic of Moldova of requests on legal assistance, unless:
a) the request on legal assistance is proven to be needed due to the essence of the action or relevant nature of fighting against certain severe forms of criminality;
b) the request on legal assistance can contribute to the improvement the defendant's or convict's position or his social reintegration;
c) the request on legal assistance can serve upon clarifying the legal status of a Moldovan citizen

Article 4. Reasons for refusal of international legal assistance

1) Upon the examination of a request on legal assistance addressed to Republic of Moldova the following circumstances should be taken into account, which, in addition to the conditions provided for in article 534 of the Criminal Procedure Code, may lead to the refusal in providing the requested assistance:
1. the criminal proceedings of the requesting state do not comply with or do not respect the conditions the European Convention on the Protection of the Human Rights and Fundamental Freedoms, concluded in Rome on November, 4th, 1950, or with any other international treaty, ratified by the Republic of Moldova;
2. the request on legal assistance is formulated which is under procedure of special courts, others than those created on the basis of international treaties, or in order to

execute a punishment imposed by such court;
3. the action grounding the request on legal assistance is the object on an ongoing proceeding, or the given action has to or can also become the object of a criminal investigation which falls under the jurisdiction of the criminal authorities of the Republic of Moldova;
4. the acceptance of the request on legal assistance may entail severe consequences for the person because of his age, health state or any other reason bearing a personal character.

2. According to point 1) part (1) article 534 of the Criminal Procedure Code the following crimes are not considered offences of political nature:

a) attempt to the life of a head of state or a member of his family;

b) the crimes against humanity envisioned by the Convention on the Prevention and Punishment of the Crime of Genocide, adopted by the General Assembly of the United Nations on December, 9th, 1948 which the Republic of Moldova has adhered to on the basis of the Parliament Decision № 707-XII from September, 10th, 1991;
c) the crimes stipulated in article 50 of the Geneva Convention from 1949 "for the Amelioration of the Condition of the Wounded and Sick in the Air Forces in the Field"; article 51 of the Geneva Convention of 1949" for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of Armed Forces at Sea"" article 129 of the Geneva convention of 1949 "relative to the Treatment of Prisoners of War"" and article 147 of the Geneva convention of 1949 "relative to the Protection of Civilian Persons in Time of War" which the Republic of Moldova has adhered to on the basis of the Parliament Decision № 1318-XII from March, 2nd, 1993;
d) any other similar infringements of military laws which are not provided by the provisions of Geneva conventions specified in point c);
e) the crimes foreseen by article 1 of the European Convention on Fight against Terrorism, adopted in Strasbourg on January 27th, 1997, and in other similar international treaties;
f) the actions provided in the Convention for the Prevention of Torture or Other Punishment and Inhuman or Degrading Treatment", adopted by the General Assembly of the United Nations on December 17th, 1984;
g) any other crime whose political character nature has been excluded by the international treaties, which the Republic of Moldova is a party to.

Article 5. The right not to be prosecuted or convicted twice for the same action ("Ne bis in idem")

1) The international legal assistance is not admissible if in the Republic of Moldova or in any other state a criminal trial for the same act took place and whether:
1. Through a final sentencing judgment the acquittal or dismissal of criminal proceedings had been ruled out;
2. the punishment applied through a final judgment has been executed or has form the

object of a pardon or amnesty in its entirety or on the unexecuted part.
2) Provisions of part (1) are not applied if the legal assistance is requested for the revision of the final judgment based on one of the reasons that would justify the application of an extraordinary appeal procedure.

Article 6. Confidentiality

1) The Republic of Moldova assures, within the limits of the law, upon the request of the requesting state, the confidentiality of requests on legal assistance and the documents attached to these. In case if the condition of confidentiality cannot be fulfilled, the Republic of Moldova notifies the foreign state which is to decide hereupon.
2) The provisions of part (1) are similarly applied in case the Republic of Moldova is the requesting state.

Article 7. Mechanisms on Transferring Requests on Legal Assistance

1) The requests on legal assistance are addressed through the central authorities which are the Ministry of Justice and the Prosecutor General's Office. The requests on legal assistance formulated during judicial proceedings as well as during the execution of punishment are transmitted through the Ministry of Justice and the requests on legal assistance formulated during the prosecution stage, through the Prosecutor General's Office. The requests on legal assistance can be transmitted either directly by the authorities of the foreign state, or through diplomatic channels r by the International Police Organization (Interpol).
2) In case when the requests on legal assistance are transmitted directly to the prosecution or judicial authorities of the Republic of Moldova, the latter shall have the right to execute them only after they obtain the authorization of execution from the central authorities.
3) In case of emergency the request on legal assistance can be transmitted by mail, including electronic, by telegraph, by telex, by fax or by any other adequate means of delivery which leaving a written track, further guaranteeing its official transmittal.

Article 8. National jurisdiction in the field of international legal assistance in criminal matters

The jurisdiction of Moldovan authorities for formulating a request on legal assistance or executing of such a request addressed to the Republic of Moldova is established by the Criminal Procedure Code, by the present law, as well as by other normative acts in force.

Article 9. Used Languages

1) The requests on legal assistance which had been formulated by the authorities of the Republic of Moldova as well as the supporting documents shall be accompanied by translations into one of the languages envisioned by the international treaty which is applicable to the relations with the requested state. The translation of the requests on legal assistance and the supporting documents is carried out by the Republic of Moldova,

if the present law does not stipulate otherwise.
2) The answer to the requests on legal assistance formulated by the authorities of the Republic of Moldova shall be drafted in Moldovan language and translated into one of the languages envisioned by the international treaty applicable to the relations with the requested state, if the present law does not stipulate otherwise.

Article 10. Calculation of the duration of an arrest

The duration of an arrest abroad in order to execute a request on legal assistance formulated by the authorities of the Republic of Moldova on the basis of the Criminal Procedure Code and of the present law is taken into account within the criminal proceedings of the Republic of Moldova and shall be calculated from the duration of punishment applied by the national court.

Article 11. Payment of Expenses

1) The expenses for the execution of the request on legal assistance are paid, as a rule, by the requested state.
2) The requesting state shall bear the following expenses:
a) Compensations of witnesses and the expert's fees, their expenses related to transportation and accommodation in the requesting state;
b) related to transfer objects;
c) related to the transfer of persons onto the territory of the requesting state;
d) related to transit of persons from the territory of a third state;
e) related to employing a videoconference in order to execute the request on legal assistance;
f) Other expenses which are considered by the requested state as extraordinary based on the human resources and technical means used for the execution of the request on legal assistance.
3) As a consequence of an agreement between requested Moldovan authorities and the foreign requesting authorities, in exceptional cases derogations from the provisions of part (1) can be taken.

Article 12. Remittal of objects and other assets

1) In case when the request on legal assistance has as a basis or involves objects or other assets, these can be remitted, if they are not necessary for the proof of a criminal action whose prosecution and trial is the jurisdiction of competent authorities of the Republic of Moldova.
2) The remittal of objects and other assets can be postponed or proceeded on a return clause..
3) The provisions of paragraphs (1) and (2) shall neither infringe the rights of bona fide third parties and nor the right of the Republic of Moldova.
4) The objects and assets are remitted only on the basis of a final judgment delivered in this regard by a competent court.
5) In case of requests for extradition the remittal of objects and assets, according to the

paragraph (1) can be carried out, even if the extradition is not granted, especially in case of the escape or death of the person whose extradition is requested.

Article 13. Transmittal of records, data and information

1) The Republic of Moldova through the Ministry of Justice shall information to the extent its authorities possess, excerpts of criminal record and any other appropriate data for a criminal case upon the express request formulated by a foreign state.
2) The Republic of Moldova shall transmit the interested foreign state the information about the judgments and subsequent actions which refer to the citizens of the foreign state and as well as mentions referred to the criminal record. Such information shall be communicated at least once a year.
3) If the person is the citizen of multiple states, this information shall be communicated to each interested state, save for the case when the person is also holding Moldovan citizenship.
4) The information referred by paragraphs (2) and (3) shall be transmitted through the Ministry of Justice upon its presentation by the national competent authorities.
5) Similar information received from foreign authorities within the exchange of information shall be received by the Ministry of Justice which shall further transmit it to the Ministry of Internal Affairs for registration with in order to observe the principle "ne bis in idem" principle.

Chapter II
Notification of procedural acts. Summoning of witnesses, experts and fugitives. Letters rogatory.

Section 1. Notification of procedural acts

Article 14. Obligation of notification

The Republic of Moldova shall proceed on communicating to the addressee who is on its territory the procedural acts transmitted for this purpose by requesting state.

Article 15. Procedural acts
The procedural acts are defined as the summons for the parties or witnesses, the resolution on indictment, other prosecution related documents, judgments, motions on exercising the judicial oversight or documents related to the execution of punishment, payment of fines or procedurally incurred expenses.

Article 16. Notification and proof

1) The notification of procedural acts is carried out by their transmittal to the addressee. If the requesting states expressly solicits, the Republic of Moldova shall carry out the notification in one of the forms envisioned by the national legislation for similar notifications, or in a special form which is compatible with this legislation.

2) The proof is done through a document dated and signed by the addressee or through a declaration of the requested authority, shall acknowledge the fact the form and the date of notification.
3) The document or the declaration is transmitted by requested authority without delay and through the central authorities to the requesting state. At the request of the latter the Republic of Moldova shall specify whether the notification was carried out according to the national legislation.
4) In case the notification could not had been carried out, the Republic of Moldova shall immediately information the requesting state about the reason on failure to notify, which is specified the document as well, according to paragraph (2).

Article 17. Notification term

The summons of a person who is on the territory of the Republic of Moldova shall be transmitted to the competent authorities with at least 50 days prior to the first hearing. This term is to be taken into account upon scheduling the date of the first hearing as well as at serving the summons itself.

Article 18. Enquiry on notification of procedural acts overseas

1) The provisions of articles 15-17 are similarly applied in the situation when the Republic of Moldova is the requesting state.
2) The criminal investigation authority or the court from the Republic of Moldova formulates the request on notification of procedural acts overseas taking into account the provisions of article 537 paragraph (1) of the Criminal Procedure Code. The request shall be accompanied with the enclosure of documents whose notification is requested as well as the proof which is to be filled it as result of the execution by the competent foreign authority. Also this package of documents shall be accompanied by the necessary translations according to provisions and reservations to the applicable international treaty, and which were formulated by the requested state. The requests mentioned in the present paragraph as well as the answers shall be addressed through the central authorities.
3) The central authorities of the Republic of Moldova can transmit directly or via mail the procedural acts and judgments to the persons who are on the territory of a foreign state if through the international treaty applicable to the relations with this state such mechanism is stipulated, as well as if any reservations had not been formulated by the involved states.
4) In case provided by paragraph (3) the procedural acts and judgments are accompanied by a note indicating the fact that the addressee can receive from the issuing party information about his rights and obligations.

Section 2.
Summoning of witnesses, experts and fugitives

Article 19. Participation of witnesses or experts

1) If the Republic of Moldova in its position of requesting state deems that the

personal participation of a witness or of an expert in front of the national criminal investigation authorities or of the national courts, is especially needed, it should mention this in the request on legal assistance relating to the notification of summons. The requested foreign state shall information the Republic of Moldova the answer of the witness or of the expert.

2) In case provided by paragraph (1), the request on legal assistance shall mention the amount of compensation or fees as well as travel and lodging expenses or the guarantees for reimbursement of such expenses The amount of reimbursable expenses shall be established at levels at least equal with those foreseen by the operational rates and regulations the state where the hearing shall take place.

3) If a request is presented in this regard, the requested state can grant to the witness or the expert a advance payment which shall be indicated in the summons and shall be reimbursed by the Republic of Moldova as the requesting state.

Article 20. Absence of witness or expert. Refusal to Testify

1) The witness or the expert who did not come upon summons whose notification has been requested, cannot be applied any sanctions or restraining measures, even though the summons covers a categorical order, save for the case when the witness or the expert returns on his own will on the territory of the Republic of Moldova as the requested state, and if he is legally summoned here again.

2) The summoned witness that comes to the central authorities of the Republic of Moldova as the requesting state, and refuses to testify entirely or partly cannot be applied any measure restraining the freedom nor can he be impeded to leave the Republic of Moldova, through according to the national legislation, such refusal would constitute a crime or could trigger coercive actions.

Article 21. Immunities

1) The witness or the expert who has come to the central authorities of the Republic of Moldova as the requesting state is applied the immunities guaranteed by legislation.
2) If during trial the arrest of a witness suspected in committal of an offence in relation to his depositions made to the criminal investigation authority or to a court of the Republic of Moldova as the requesting state could be ordered, and the crime is different from the refusal to testify, the possibility of insuring a better protection of justice interests shall be taken into consideration.
3) Any person, regardless of nationality summoned to the central authorities of the Republic of Moldova which are conducting criminal proceedings in order to execute certain procedural actions on the territory of the Republic of Moldova neither shall be prosecuted nor detained or be applied any freedom restraining measure prior to his/her departure from the territory of the foreign requested state for actions or convictions not mentioned in the summons,
4) The immunity stipulated by the present article ceases according to the conditions set forth by the legislation.

Article 22. Temporary transfer of detained witnesses

1) Any detained person whose presence is requested by the requesting state for interviewing a witness or for a confrontation shall be temporarily transferred on the territory of this state with the condition of his return within the timeframe mentioned by the Republic of Moldova, save the provisions of article 21 to the extent these can be applied accordingly.
2) The transfer from the territory of the Republic of Moldova can be refused, if:
a) the detained person does not consent to be transferred;
b) the presence of detained person is necessary within ongoing criminal proceedings carried out on the territory of the requested state;
c) the transfer of detained person could prolong his/her detention period; or
d) his/her transfer onto the territory of the requesting state is hampered on other well-founded grounds.

3) In the situation provided by paragraph (1), the transit of the detained person throughout the territory of a third state shall be granted after upon the request submitted by the Ministry of Justice of the requesting state to the Ministry of Justice of the state requested for transiting, being accompanied by all necessary documents.
4) The Republic of Moldova will not grant the transfer of its citizens;
5) The transferred person is detained on the territory of the requesting state and depending on the case, on the territory of the state requested for transiting, save for the case when the state requested for transfer shall demand the person's release.
6) The period of time within which the detained person has been transferred according to provisions of present article is curtailed from the duration the punishment applied.
7) The place of transfer is, as a rule, the check point through national border of THE REPUBLIC OF MOLDOVA. The prisoner is transferred and accepted under escort of the department 'penitentiary institutions' of the Ministry of Justice which informs the Ministry of Justice or the General Prosecutor's Office.
8) The provisions of part (7) are applied in the corresponding way in a case when the Republic of Moldova is the requesting state.

Article 23. Protection of witnesses

The witnesses heard according to the provisions of the present section, upon necessity, are eligible to protection according to the national legislation in effect.

Section 3. Letters rogatory

Article 24. The obligation of execution

1) The letter rogatory is a form of international legal assistance which consist of powers which a criminal investigation authority, a competent court from a state or an international court grants to some similar authorities from another state for carrying on its behalf certain procedural activities concerning certain criminal proceedings.
2) The Republic of Moldova shall insure according to its legislation the execution of

letters rogatory addressed by competent law authorities of the requesting state

Article 25. Objectives of letter rogatory

1) The objectives of the letter rogatory are in particular:
a) localization and identification of persons and objects; interviewing the accused or of the defendant, interviewing the injured party, of the other parties, of witnesses and experts, confrontation; search, seizure of objects or documents, arrest and special confiscation; crime scene investigation, reproduction of events; forensic and technical examinations, transmission of information necessary for certain proceeding; wire tapping and video recording, research of archival documents and special files, and other similar procedural actions;
b) transmittal of material evidence;
c) transmittal of documents or dossiers.
2) If the requesting state wishes that the witnesses or experts be sworn in, it shall expressly request so. The Republic of Moldova can comply with this request if it does not contradict to the national legislation.
3) The Republic of Moldova shall transmit only certified copies or photocopies from the requested documents or dossiers. The copies from the documents or from the dossiers requested through a letter rogatory are certified for compliance with the originals by the criminal investigation authority, by the court or ,by any other authority possessing the original documents or dossiers ,through the signature of the person vested to make the copies and stamp them with the seal of the issuing authority. If the requesting state expressly requests the transmittal of original documents, such request shall be executed within the limits of possibility.
4) The Republic of Moldova shall inform the requesting state about the date and place of letter rogatory execution, should the requesting state expressly request so. The concerned authorities and persons specified by the requesting state will be able to assist cooperate at the execution of in the letter rogatory within the limits of the national legislation.

Article 26. Search, seizure of objects or documents and arrest

1) The letters rogatory targeting searches, seizures of objects or documents and arrests can be executed in the following conditions:

a) for the crime that reasons the letter rogatory, the extradition to the Republic of Moldova is to be accepted;
b) the execution of a letter rogatory shall comply with the legislation of the Republic of Moldova;

2) Conditions stipulated by paragraph (1) can entail the application of the reciprocity principle.

Article 27. Remittal of objects, cases and documents
1) The Republic of Moldova can postpone the remittal of objects, cases and documents whose presentation is requested if these are necessary for an ongoing criminal proceeding.

2) The objects, the originals of dossiers and of the documents remitted for the execution of the letter rogatory shall be returned by the requesting state to the Republic of Moldova as soon as possible, save for the case of their relinquishment. .

Article 28. Hearings by video conference

1) In case when a person who is on the territory of the Republic of Moldova territory has to be interviewed as witness or expert by the criminal investigation authorities or by a court of the foreign state or by an international court and it is not appropriate or possible for that person to come on the territory of that state, the latter can enquire that the interview take place by means of video conference according to provisions of the present law.
2) The enquiry stipulated by paragraph (1) can be accepted by the Republic of Moldova according to the provisions of the Criminal Procedure Code regarding the special means of interviewing the witness and his protection, having the necessary technical means which would allow carrying out the interview by means of video conference.
3) The request on interviewing by means of video conference, besides the information envisioned by art. 537, paragraph (1) of the Criminal Procedure Code, shall specify, the reason of inappropriateness or impossibility for the witness or the expert to attend the interview as well as the name of the court or of the criminal investigation authority, and the names of persons that will participate at the interview.
4) The witness or the expert shall be summoned according to the procedure of summoning provided by the Criminal Procedure Code.
5) The interview by video conference shall be governed by the following rules:

a) the interview is carried out in the presence of a competent investigating magistrate, assisted, depending on the case by an interpreter; the investigating judge verifies the identity of the interviewee and is obliged to insure the observance of the fundamental principles governing the criminal procedure legislation. If the violation of this principles is acknowledged, the investigating magistrate shall immediately take measures to insure that the interviewing process will be conducted in accordance with the legislation of the Republic of Moldova; b) the competent central authorities of the Republic of Moldova and of the requesting state shall coordinate, upon necessity, the protection measures of the witness and the expert;

c) the interview is carried out directly by the competent authority of the requesting state or under its coordination, according to the national legislation;

d) the witness or the expert have the right to be assisted, depending on the case by an interpreter based on the legislation of the Republic of Moldova;

e) the person who was called to serve as the witness or the expert shall invoke the right not to testify, granted by the legislation of the Republic of Moldova or of the requested state.

6) Without any infringements to the measures agreed on protecting the witnesses, the depositions made by the witness or by the expert, interviewed according to present article, are recorded by technical video means and mentioned in the protocol, drafted according to provisions of the Criminal Procedure code. The

protocol is transmitted to the competent authority of the requesting state through central authorities, and also through diplomatic channels.

7) The provisions of present article can be applied and in cases of interviewing the accused or of defendants if the specified person consents to it and if there is an agreement between the Republic of Moldova and the requesting state.

Article 29. Immediate information transmittal

1) The Moldovan central vested authorities can, without any prior request, transmit to the authorities of a state party to the European Convention on Legal Assistance in Criminal Matters, adopted in Strasbourg on April 20th, 1959, as amended by two additional protocols, the information received within the operative investigation and criminal investigation activities in case it considers that this information could help the state-addressee to initiate a criminal proceeding or could serve as a basis for formulating a request on legal assistance. The information obtained during the operative or criminal investigation activities shall be transmitted by the criminal investigation authority to the prosecutor who will further present it to the Prosecutor General's Office in order to send it to the mentioned foreign state.

(1^1) Transmission of the information which is assigned to a state secret is made within the framework of the Law No 245-XVI of 27 November 2008 on state secret. *[Art.29 al.(1^1)introduced by the LP66 of 07.04.11, MO110-112/08.07.11 art.299]*

2) In the situation when the utilization of the transmitted information according to paragraph (1) is restricted and imposes certain conditions or this information constitutes state, commercial or bank secret, this information shall be transmitted only when approved by the instruction judge (*investigating magistrate*), at the reasoned request of the prosecutor.

3) The procedure on transmitting the information shall bear the form of a letter rogatory whose text shall expressly indicate the imposed conditions or the interdictions, thus notifying the foreign state which shall be obliged to respect them while using this category of information.

Article 30 Crossborder surveillance

1) Save for the cases when there are conflicting provisions in the international treaty applicable in relations with a foreign state, the representatives of the criminal investigation authority of a state which the criminal investigation is conducting surveillance on territory of another state in regard to a person suspected in committing a crime which allows for extradition, or in respect of a person toward whom there are serious grounds to believe that he/she can lead to the identification or localization of the assumed crime suspect, shall be authorized, on the basis of the preliminary request on legal assistance to continue this surveillance on the territory of the Republic of Moldova. Upon request, the surveillance can be conducted the competent authorities of the Republic of Moldova.

2) The request on legal assistance provided by paragraph (1) shall be addressed to

the Prosecutor General's Office.

3) If case of urgency if the preliminary authorization of the Republic of Moldova cannot be requested, the representatives of foreign criminal investigation authority acting within the criminal investigation, are authorized to continue on the territory of the Republic of Moldova the surveillance of the person suspected to have committed one of the actions mentioned by paragraph (5), in following conditions

a) During surveillance the border crossing shall be immediately communicated by the Ministry of Interior and Border Guards Service to the Prosecutor General's Office;

b) the request on legal assistance foreseen by paragraph (1) containing the reasons that justify the unauthorized border crossing shall be transmitted immediately;

4) The surveillance provided by paragraph (1) and (3) can be conducted in the following conditions:

a) the representatives of foreign criminal investigation authority holding the observer status shall respect the provisions of the Moldovan legislation, including the present article;

b) save for the cases provided by paragraph (3), for the period of surveillance the representatives of foreign criminal investigation authority holding the observer status shall have documents proving that they were granted the permission;

c) the representatives of foreign criminal investigation authority holding the observer status shall justify their official status;

d) the representatives of foreign criminal investigation authority can carry during surveillance their duty weapon the use is forbidden, save for the case of necessary self defense;

e) the entrance into teh residence of a person and also in other places not accessible to the public is forbidden;

f) the representatives of foreign criminal investigation authority holding the observer status cannot apprehend or arrest the person under surveillance;

g) any operation shall be the object of a report that will be presented to the competent authorities of the Republic of Moldova;

h) the state authorities of the representatives of criminal investigation authority holding the observer status, upon the request of the Moldovan authorities contribute to the adequate carrying out of the criminal investigation based on the operation they participated.

5) Surveillance can be carried Republic of Moldova as serious, especially serious and exceptionally serious.

Article 31. Seizure or Confiscation

The assets generated as a consequence of committing a crime which is the object of the letter rogatory are seized or confiscated according to the legislation in effect.

Article 32. Special principle of letter rogatory

The Republic of Moldova shall use the documents and the information received from the requesting state only in order to execute the letter rogatory.

Article 33. Provisional measures

On the request of the requesting state provisory insurance measures established by the Moldovan legislation in regard to the on protection of evidentiary means, preservation of the existing situation or the protection of the threatened interests can be taken.

Chapter III
Transfer of Criminal Proceedings

Part 1. Acceptance by the central authorities of the Republic of Moldova of the criminal investigation as well as of the criminal cases under trial

Article 34. Obligation of acceptance of criminal investigation upon the request of a foreign state

The request of the central authorities of foreign states regarding the acceptance of criminal investigation of criminal cases which are in the pretrial proceedings, transmitted according to the Criminal Procedure code, to the present law and to the international treaties, shall be examined by the Prosecutor General's Office which decides on its admissibility. The request of the competent court of a foreign state regarding the acceptance of criminal cases which are in the trial proceedings, transferred according to the provisions of the Criminal Procedure code, to the present law and to the international treaties is examined by the Ministry of Justice which decides on its admissibility.

Article 35. The grounds of acceptance of criminal investigation

1) The acceptance of criminal investigation and of the criminal cases in trial proceedings can be admitted if:

a) the suspect, the accused or the defendant is the citizen of the Republic of Moldova;
b) the foreign citizen or the stateless person has a permanent residence in the Republic of Moldova;
c) the person serves or shall serve a prison punishment in the Republic of Moldova;
d) the person is criminally investigated in the Republic of Moldova for same crime;
e) the action constitutes crime according to the legislation of the Republic of Moldova;
f) the person who has committed a crime criminal liability according to the legislation of the Republic of Moldova.

2) The acceptance of criminal investigation or of the criminal cases under trial can be refused if:

a) the action is not regulated by the Criminal Code of the Republic of Moldova;
b) the person has been sentenced for the same action by a competent court of another state;
c) the prescription period has expired according to the legislation of the Republic of Moldova, as well as its prolongation with 6 months according to the international provisions;
d) the action has been committed beyond the territory of the requesting state;

e) the person is not the citizen of the Republic of Moldova or is a foreign citizen or stateless person, without permanent residence in the Republic of Moldova;
f) there are grounds to believe that the request for acceptance of criminal investigation or of the criminal cases under trial are motivated by political, religious, racial or ethnic character;
g) It is a matter of political, military or crimes connected to them;
h) The criminal investigation contradicts the international obligations taken by the Republic of Moldova;

3) The acceptance of criminal investigation when according to the legislation of the Republic of Moldova the preliminary complaint of the injured party is needed. The complaint can be admitted if the requesting state confirms the consent of injured party.

Article 36. Validity of acts

All procedural acts drafted according to the legislation of the requesting state have the same validity and an evidential effect as in the case of execution their execution by the criminal investigation authorities of the Republic of Moldova.

Article 37. Procedure of acceptance of criminal investigation

1) The acceptance of criminal investigation is carried out on the basis of the request of competent law enforcement authorities of the requesting state attaching the documents or of the certified copies from the criminal case dossier as well as of other evidentiary means. All transmitted materials shall be accompanied by translations according to article 9.
2) After reviewing the request on acceptance of criminal investigation and of the documents transmitted by the requesting state, the Prosecutor General's Office shall adopt one of the following decisions:

a) to satisfy the request;
b) to reject the request;
c) to request new the information, documents and data.

3) In case when the request on acceptance of criminal investigation is considered admissible the Prosecutor General shall issue a resolution on the acceptance of criminal investigation which besides the elements stipulated by the Criminal procedure Code shall also cover the classification of the action according to the Criminal Code of the Republic of Moldova along with the resolution to transmit the dossier to the competent authority for carrying out the criminal investigation. The criminal investigation on such categories of cases is carried out according to the Criminal Procedure Code.
4) In case of when it is decided that the acceptance of the criminal investigation submitted by the requesting state is inadmissible, the Prosecutor General's Office the requesting state on the causes of a failure and returns the documents of the criminal.
When taking a decision related to the discontinuation of criminal investigation as well as to the dismissal of charges the Prosecutor General's Office shall inform

the requesting state remitting a certified copy of the decision.

Article 38. Procedure of acceptance of criminal cases under trial

1) The provisions of article 37 are applied to the acceptance of criminal cases under trial as well. The Ministry of Justice is the competent authority adopting the decision on the acceptance or refusal to accept such cases.
2) If the Minister of Justice issues a decision on the admission of the request on acceptance of the criminal cases on behalf of the requesting state, the documents along with the Minister's enquiry are remitted according to the jurisdiction foreseen by the Criminal Procedure Code to a court that shall try the merits of the case.
3) In case of issuing a decision on the refusal on the admission of request of acceptance of criminal cases, the Ministry of Justice shall inform the requesting state about the refusal reasons. the Republic of Moldova.
4) If a final judgment on an accepted criminal case based on the conditions of the present article has been delivered, the Ministry of Justice shall inform the requesting state about and shall remit a certified copy of the decision to the Republic of Moldova

Section 2. Transfer of repressive procedures to foreign authorities

Article 39. Transfer of the criminal cases which are at a stage of criminal investigation

1) The transfer of criminal cases which are in the stage of criminal investigation to other state is carried out in a the case when:

a) the person who has committed s crime is the citizen of that state or has his permanent residence on the territory of that state;
b) the crime has been committed on territory of that state;
c) the action is a crime according to the legislation of that state and of the Republic of Moldova;
d) the transfer of criminal proceedings is carried out with for the good management of justice and/or for favouring of social reintegration in case of conviction; e) the defendant serves a punishment on the territory of the requested state for committing a crime which is more serious than the one committed on the territory of the Republic of Moldova.;
f) the requested state refused the extradition of the person.

2) In cases outlined by paragraph (1) the criminal investigation officer shall present for confirmation to the prosecutor leading the criminal investigation a grounded proposal to decline the jurisdiction, invoking the reasons for such decision.
3) The prosecutor after considering the materials of the criminal case and studying the legality and the comprehensive character of the criminal investigation actions that are to be executed on the territory of the Republic of Moldova, shall issue a decision on the proposal of the criminal investigation officer.
4) If the proposal of the criminal investigation officer is accepted the prosecutor shall issue a resolution on transmitting the dossier according to the jurisdiction

and shall carry out other actions requested by the international treaties to which the Republic of Moldova is a party to. All the documents are dispatched to the Prosecutor General who is to decide on the appropriateness of transmitting the criminal case.

5) The criminal investigation can be re-initiated in the situation when the requested state refuses to accept carrying out the criminal investigation according to provisions of the international treaties.

Article 40. The transmittal of criminal cases under trial

1) When a criminal case is under trial, the judge shall issue a justified order about the necessity on transmitting the criminal case to a court of another state and shall send it further to the Minister of Justice who is to decide on the appropriateness of transmittal. The grounds of transmittal, envisioned by art. 30 paragraph (1) are applied accordingly.
2) The trial of the case shall be resumed if the requested state refuses the acceptance of the criminal case for trial, based on the conditions envisioned by the international treaties.

Article 41. Consequences of Transferring the Criminal Proceedings

1) As soon as the transfer of criminal proceedings is agreed by the requested state, no other proceeding for the same action cannot be initiated by the authorities of the Republic of Moldova.
2) The Republic of Moldova shall regain the right to initiate or depending on the case to accept the criminal investigation for that action if:

a) The requested state informs the Republic of Moldova that it cannot finalize the criminal investigation that it has been transmitted; the Republic of Moldova it takes notice on the existence of a reason which , according to the provisions of the present law, would impede the transfer of the criminal proceeding.

Chapter IV Extradition

Section 1. Extradition from the Republic of Moldova
Article 42. Persons subject to extradition and persons who cannot be extradited

1) Can be extradited from the Republic of Moldova upon the request of a state the foreign citizen or the stateless person subject to prosecution and conviction in that state.
2) Cannot be extradited from the territory of the Republic of Moldova:

a) the citizens of the Republic of Moldova;
b) the persons who were granted the right to asylum;
c) the persons who were granted the status of political refugee;

d) the foreign persons who on the territory of the Republic of Moldova enjoy the jurisdictional immunity based on conditions and within the limits established by the international treaties;
e) the foreign persons summoned from abroad in order to be interviewed as parties, witnesses or experts in judicial bodies by the court authorities or by criminal investigation authorities within the limits of immunities established by the international treaties.

Article 43. Refusal of Extradition

1) Upon considering the request for extradition addressed to the Republic of Moldova in the anticipation of a potential refusal, besides the refusal conditions specified by the Criminal procedure Code at art. 546, the following procedural situations should also be taken into account:
a) the person whose extradition is requested should be tried in the requesting state by a special court created for a particular case as well as in the situation when a person whose extradition is requested would be tried in the requesting state by a court which does not insure the fundamental procedural and protection guarantees of the rights to defense;
b) the criminal action which the extradition is requested for is a breach of military conduct and doesn't constitute a regular crime;
c) the punishment envisioned for a crime by the legislation of the requesting party is the capital punishment. By derogation from this rule, the extradition of the person can be granted only in the situation when the requesting state provides assurances considered as sufficient by the Republic of Moldova, that the capital punishment shall not be executed, following its commutation. The refusal in extraditing of the non-sentenced person form the Republic of Moldova is decided by the Prosecutor General, and in regard to the sentenced person, by the Minister of Justice.

Article 44. Transfer of criminal proceedings incase of refusal the extradition

The refusal of extradition of its own citizen or of the political refugee shall oblige the Republic of Moldova upon the request of the requesting state, to submit the case to its competent authorities so as to be able to exercise the criminal investigation and the trial should such a need arise. The requesting state is to transmit free of charge to the Prosecutor General's Office, within the criminal investigation phase, or to the Minister of Justice, within the trial phase, the criminal cases, the information and the objects regarding the crime. The requesting state will be informed about the outcome of its request.

Article 45. Dual criminality rule

1) The extradition can be admitted according to paragraph (3) of article 544 of the Criminal Procedure Code, only if action for which the person whose extradition is requested is accused or sentenced is qualified as a crime by the legislation of the

requesting state as well as by the legislation of the Republic of Moldova.

2) By derogation from the provisions of paragraph (1) the extradition can be granted in the situation when the criminal action is not regulated by the legislation of the Republic of Moldova if for this action the double criminality requirement is excluded by an international treaty to which the Republic of Moldova is a party to.
3) The existent distinctions between the legal classification and title given to the same crime by the legislation of both states shall not be relevant unless through the international treaty or if absent through the reciprocity declarations is not provided otherwise.

Article 46. Fiscal offences

1) In matters concerning fees and taxes, customs and exchange offices related ones the extradition shall be granted according to the applicable international treaty for criminal actions matching the crimes of the same nature, according to the legislation of the Republic of Moldova.
2) The extradition cannot be refused on the reason that the legislation of the Republic of Moldova does not entail the same type of fees or taxes or it does not cover, for the cases envisioned by paragraph (1) the same kind of regulation as the legislation of the requesting state.

Article 47. Gravity of punishment

1) The extradition for the criminal investigation or for trial is granted by the Republic of Moldova only for the actions susceptible of prison punishment more than a year, according to the legislation of the Republic of Moldova and of the requesting state. the Republic of Moldova
2) Extradition with a view of serving a criminal penalty is granted only if the extradition foreseen by the paragraph (1) is allowed and if a prison punishment is to be served. In this case, the extradition shall be granted in the situation when the detention period which is to be executed or the cumulative detention which are to be executed is at least 6 months and if the international treaty to which the Republic of Moldova is party does not provide otherwise.
3) The person convicted to a punishment with conditional suspension of the punishment can be extradited in case of conviction's nullification, with conditional suspension and with sending of the convicted person to serve the punishment established through judgment that remained to be executed meets the gravity exigencies foreseen by paragraph (2) and there are no other legal impediments to extradition. If the action which the extradition is requested for is punished with death penalty by the legislation of the requesting state, the extradition can be granted only if the given state will provide assurances considered as satisfactory by the Republic of Moldova that the capital punishment shall not be executed thus being commutated.

Article 48. Crimes committed on the territory of a third state

In cases of crime committed of the territory of a state other than the requesting state, the extradition can be granted when the legislation of the Republic of Moldova confers the criminal investigation and trial jurisdiction to the competent national authorities for the same category of crimes committed outside the territory of the Republic of Moldova or when the requesting state proves that the third state on whose territory the crime has been committed will not request the extradition for the respective action.

Article 49. Trial in absence of person whose extradition is requested

1) In the situation when the extradition of a person in order to execute a punishment imposed against that person in absentia through a court judgment the Republic of Moldova can refuse the extradition if it will consider that the trial procedure did not take into account the right to defense, granted to any person accused of committing a crime. The extradition is actually granted if the requesting state provide assurances considered as sufficient to guarantee the person whose extradition is requested the right to a new trial proceeding which would guarantee the right to defense.
2) In the situation when the Republic of Moldova communicates to the person whose extradition is requested a judgment on sentencing the person delivered in absentia the requesting state shall not consider this communication as an action that would have legal effects toward the criminal procedure of this state.

Article 50. Request for extradition and attached documents

1) The request for extradition, formulated in writing by the competent authority of the requesting state addressed to the Prosecutor General's Office in the situation when the person whose extradition is requested is prosecuted or to the Ministry of Justice in the situation when the person whose extradition is requested has been sentenced. If the request has been directed through diplomatic channels it is immediately transferred to the Prosecutor General's Office or to the Ministry of Justice accordingly. Another way of transferring the s the request can be coordinated through a direct agreement between the requesting state and the Republic of Moldova.
2) The request for an extradition shall be drafted on the basis of the international treaty to which the Republic of Moldova and the requesting state are parties or on the basis of written conditions of reciprocity.
3) The request shall be accompanied:

a) depending on the stage of criminal proceedings, by the originals or by the certified copies of the final judgment originals or certified copies of the warrant on preliminary arrest, decisions about attraction of the person as accused or, on circumstances, the bill of indictment and order on arraignment or other procedural acts having equal force. The certification of copies of these documents are done free of charge by the competent court or by the prosecutorial office depending on the case;

b) by the description of action for which the extradition is requested. The date and a place of their committal, their legal classification and references to applicable legislative guidelines, an on a mandatory basis with the indication of the applied sanction;
c) by the copy of the applicable legal provisions or if it is impossible, by the declaration of the applicable legislation as well as by the precise description of the person and by any other information which shall determine his/her identity and citizenship.
d) the data regarding the duration of the unexecuted punishment in case of the request for an extradition of a sentenced person who party served punishment.

Article 51. Verification of compliance of the request on extradition with the provisions of the international treaty

1) The Prosecutor General's Office or depending on the case the Ministry of Justice shall urgently proceed on verifying the compliance the Republic of Moldova of the request for extradition with the provisions of the international treaty in order to acknowledge whether:

a) there is a international treaty to which the Republic of Moldova and the requesting state parties are parties or there are written obligations the Republic of Moldova of reciprocity;
b) whether there is other legal obstacle such as the existence of one of the refusal cases provided for in the international legal assistance foreseen by article 546 of the Criminal Procedure code and article 43 of the present law on non-identification of person on the territory of the Republic of Moldova or the death of person whose extradition is requested;
c) the request and the documents concerning the extradition necessary to proceed with the trial or with the execution of a punishment, are accompanied by translation according to article 9. in the situation the conditions provided by paragraph 1, subparagraphs a), b) the Prosecutor General or depending on the case the Minister of Justice refuses the extradition through a grounded decision and returns the request and the attached documents. In the situation when the request on extradition and the attached documents are not accompanied by translations in the official language, measures for securing an urgent translation shall be taken.

Article 52. Plurality of requests

1) If the extradition is requested by the several states either for the same action, or for different actions, the Republic of Moldova shall decide on the extradition taking into account all circumstances and especially the gravity and the place crime's committal, the date of filing the requests, the citizenship of the requested person, the existence of reciprocity for extradition with the Republic of Moldova and the possibilities of subsequent extradition to another requesting state.
2) About the existence of plurality of the requests the Prosecutor General's Office or, depending on the case the Ministry of Justice the Republic of Moldova shall urgently inform central authorities of the requesting states.

Article 53. Procedure of extradition from the Republic of Moldova

1) The decision concerning the extradition from the Republic of Moldova is adopted by the competent court.
2) If the Prosecutor General or depending on the case the Minister of Justice considers that the request of the foreign state or of the international court meets all the admissibility requirements and there are no impediments for the person's extradition, it shall submit to the court an enquiry accompanied by the request and enclosures of the requesting party according to the art. 544 paragraph (6) of the Criminal Procedure Code.
3) The order of the investigating magistrate once final shall be sent to the Prosecutor General Office or to the Ministry of Justice for execution the Republic of Moldova and information of the requesting state.
4) **The Prosecutor General's Office or, depending on the case the Ministry of Justice the Republic of Moldova shall inform the central authorities of the requesting state about the decision on admissibility of the request for extradition or of the request on temporary arrest for extradition delivered by a competent court**

Article 54. Representation of requesting state

The central authorities of the requesting state upon request can be authorized to assist, through a specially designated representative during the adjudication of the request for extradition from the Republic of Moldova, the court being legally vested to grant such permission. the Republic of Moldova.

Article 55. Provisional arrest. Court submission

1) After the receipt of the request for extradition the Prosecutor General's Office or depending on the case the Ministry of Justice shall immediately take measures for the arrest of the person whose extradition is requested, the Republic of Moldova according to the Criminal Procedure code. The representatives of the authority which carried out the apprehension, under the leadership of the competent prosecutor , within 72 hours after the receipt of the of the request for extradition and of the enclosed documents shall proceed to identify the person whose extradition is requested and who is to be handed the arrest warrant as well as the other documents transmitted by the authorities of the requesting state.
2) After the identification, the court within the territorial circumscription of the Ministry of Justice shall be notified to decide on the provisional arrest in order to extradite the person whose extradition is requested and to continue the judicial proceeding on adjudicating the request for extradition. The motion on ordering provisional arrest shall be filed on behalf of the Prosecutor General.
3) The provisional arrest in order to extradite a person extradition is ordered and prolonged by the investigating magistrate vested with adjudicating the request for extradition. The arrest is ordered through a court order which can be challenged with appeal in cassation only along with the court decision delivered with regards to the request for extradition.

4) The person whose extradition is requested and in respect of whom the provisional arrest was ordered shall be arrested by corresponding authorities of the Ministry of Internal Affairs.
5) During the adjudication of the case the court shall re-adjudicate ex officio at every 30 days, the need to maintain the provisional arrest, ordering, depending on the case, its prolongation or replacement with the obligation not to leave the country of territory or with a reprimand measure alternative to the provisional arrest, according to the Criminal Procedure Code. the Republic of Moldova
6) Each prolongation granted in accordance with paragraph (5) shall not exceed 30 days. The overall duration the provisional arrest cannot exceed 180 days.
7) In case of admitting the request for extradition, the provisional arrest in order to extradite a person shall be prolonged at every 30 days until the transfer of the extradited person under condition of respecting timeframe provided by paragraphs (5) and (6). The provisional arrest ceases de jure if the extradited person is not taken over by the competent authorities of the requesting state within 30 days from the date agreed for arrest and surrender. the Republic of Moldova
8) Except for the case provided by paragraph (5) of article 66, court can order ex officio upon the motion of the Prosecutor General or based on the request of the person whose extradition is requested to cease the arrest in order to extradite a person if the extradited person will not be taken over by the competent authorities of the requesting state within 15 days from the date agreed for surrender, save for the case when the bilateral treaty does not foresee better more favourable conditions for this person. the Republic of Moldova.
9) If in respect to the person whose extradition is requested, the competent national court has issued a warrant on provisional arrest or a warrant on serving a prison penalty for criminal actions committed on the territory of the Republic of Moldova, the warrant on provisional arrest for extradition shall take effect from the data from which the provisions of the arrest warrant or of serving a prison punishment does not have any effect.

Article 56. Provisional arrest in case of urgency

1) In urgent cases the Prosecutor General's Office or depending on the case the Minister of Justice can request ex officio or un the request of the requesting party the provisional arrest of the investigated person, even prior to the formulation and transmittal of the formal request on extradition.
2) **The request on the provisional arrest for extradition should be indicated the existence of an arrest warrant and of a warrant of serving a prison penalty ordered through a final judgment, a summary of the actions which should specify the date and place of their committal and to mention the applicable legal provisions as well as the available data on the identity, citizenship and localization of the investigated person.**
3) The request on provisional arrest in order to extradite a person can be examined only if there is no doubt in regard to the jurisdiction of the requesting authority and the request comprises the elements mentioned by paragraph (2).
4) The provisions of article 55 are applied accordingly.

5) The court shall, upon the motion of the Prosecutor General or on the request of the person whose extradition is requested, order that the provisional arrest be ceased if within 18 days from the date of ordering it, the Republic of Moldova has not been notified by a request for extradition accompanied with the documents foreseen by art. 50 The provisional arrest ceases de jure after 40 days, which include the duration of the initial arrest warrant and the period for which it has been prolonged, if within this period of time the request for extradition and the necessary documents are not received.
6) The temporary release does not exclude a new provisional arrest in order to extradite the person, nor the extradition if the request for extradition is received afterwards.

Article 57. Apprehension in order to extradite

The person who is wanted interstate (for CIS member states) or is internationally wanted by the International Criminal Police Organization and whose arrest is requested by the central authorities of the requesting state in order to be extradited could be apprehended by the national criminal investigation authorities according to the provisions of the Criminal Procedure Code, for no more than 72 hours. The criminal investigation authorities shall immediately inform the territorial prosecutors and those of specialized prosecutorial offices in whose jurisdiction the person has been apprehended and will carry out the necessary verifications regarding the person's identity, citizenship and residence, regarding the political asylum, the reasons of criminal investigation, the circumstances which would exclude, postpone or condition the extradition and who on their turn, will immediately inform the Prosecutor General's Office to take the necessary measures.

Article 58. Procedure of examining the request for extradition

1) Initially the court insures that the person whose extradition is requested is interviewed and is assisted by an interpreter and a pro bono defense counsel if there is no chosen counsel. The presence of the prosecutor is mandatory. The procedure is public and if the person whose extradition is requested or the prosecutor does not oppose or if the interests of justice request so, is aural and based on the adversarial principle.

[Art.58 al.(1) amended by LP89-XVI of 24.04.08, MO99-101/06.06.08 art.366, in force since 01.07.08]

2) The person whose extradition is requested or the prosecutor on the basis of sufficiently justified reasons can request the court additional time which shall not exceed 8 days. The prosecutor is obliged to contribute to the presentation of data and documents needed to establish if the conditions of extradition are accomplished and to order the seizure and disclosure to the court of the objects specified in art. 12.
3) After the interview the person whose extradition is requested, can choose either to be voluntarily extradited, for a continuation of the procedure in case of resistance to the extradition.

Article 59. Simplified extradition

1) Person whose extradition is requested has the right to declare before the court that he/she refuses the privileges established by the law to defend against the request for extradition and consents to be extradited and surrendered to the competent authorities of the requesting state. The declaration is noted in a protocol, signed by the presiding judge, court clerk and by the person whose extradition is requested, by the counsel and interpreter. As soon as it is acknowledged that the person whose extradition is requested is in full capacity and is aware of the consequences of such a decision, the court, taking into consideration the conclusion of the prosecutor shall adjudicate the existence of any impediment that would exclude the extradition. If it is acknowledged that the simplified extradition is admissible, the court takes notice about this through an order and at the same time shall decide on the provisional reprimand measure to be applied until the person's surrender. The order is final, is drafted within 24 hours and is immediately transmitted via a certified copy to the Prosecutor General or to the Minister of Justice for the issuance of a legal decision.
2) The consent given according to paragraph (1) cannot be withdrawn once it was confirmed by the court.
3) In the case provided by paragraph (1), the filing of a formal request for extradition and of the documents foreseen by art. 50 paragraph 3. Is not necessary if it similarly stipulated by the international treaty applicable in relation with the requesting state or in the case when the legislation of that state allows such a simplified procedure of extradition and this has been applied to some requests of extradition formulated by the Republic of Moldova.

Article 60. Remedies against the requested extradition by the person concerned

1) If the person whose extradition is requested opposes the extradition shall be able to formulate arguments orally and in writing, being also able to provide evidence
2) After interviewing the person whose extradition is requested, the dossier of the case can be provided to his/her defense counsel so that a reasoned motion to the request for extradition could be presented within 8 days also indicating the evidentiary means admitted by the legislation of the Republic of Moldova, the number of witnesses being limited to two.
3) The motion cannot be based on the fact that the arrested person is not the wanted one or the conditions pertaining to extradition are not accomplished.
4) Once filed, the motion on protest to extradition or once the time for filing the motion has expired, the prosecutor can request an additional timeframe up to 8 days for answering to the protest motion or to provide evidence according to paragraph (2).

Article 61. E**xamination of evidence**

The evidentiary means admitted by the court, shall be examined in maximum 15 days in the presence of the person whose extradition is requested assisted by the defense counsel by the interpreter as well as in the presence of the prosecutor.

Article 62. Additional information

(1) If the information communicated by the requesting state are proved to be insufficient to allow the Republic of Moldova to deliver a judgment for application of this law, the competent court shall request the complementation of the needed information. A two months timeframe shall be granted in this respect.
(2) The request regarding the additional information as well as the answer are transmitted using one of the mechanisms provided by art. 50.

Article 63 Adjudication of the case

(1) After the adjudication of the request on extradition and of the evidence and of the conclusions presented by the party whose extradition is requested and by the prosecutor, the court shall:
    a) Order in case of plurality of requests foreseen by art. 52 to join the dossiers even though they refer to the different facts;
    b) Order in case of the need to receive additional information from the requesting state according to art. 62, the postponement of request's adjudication for two months, with the possibility to reiterate the request with granting of a last two months term.
    c) Acknowledge, through an order, if the conditions necessary for extradition are net or not;
(2) The court has no jurisdiction to establish the reasons for questioning the criminal investigation or of the conviction for which the foreign central authority requests the extradition nor on the appropriateness of extradition.
(3) In case it acknowledges that the conditions on extradition are accomplished, the court decides to admit the request for extradition, maintaining at the same time the provisional arrest for the extradition until the surrender of the person according to art. 66.
(4) The decision through which the extradition has been ordered is drafted in no more that 5 days from the date of delivery.
(5) In case of temporary extradition or extradition under condition, the court shall mention in the order the conditions foreseen for such cases.
(6) In case of admitting the request for extradition, if objects are remitted according to art. 12, a mention about this shall be made in the order, also attaching a summary.
(7) If the court acknowledges that the conditions for extradition are not met, it shall reject the request and order the release of the person whose extradition is requested. The judgment is drafted in 24 hours from the delivery and is transmitted to the Prosecutor General or to the Minister of Justice.

(8) Within 10 days from the delivery, the judgment on extradition can be challenged with appeal in cassation at the Court of Appeal Chisinau by the Prosecutor General as well as by the person whose extradition is requested. The appeal in cassation filed against the judgment through which the extradition was ordered can suspend the execution except the provisions relating to the provisional arrest for surrender.

Art. 64 Escape of the extradited person

The extradited person who after he/she was surrendered to the requesting state escapes before the adjudication of the case or the execution of penalty for which the extradition has been granted and who returns or is identified on the territory of the Republic of Moldova shall be arrested again and surrendered on the basis of a warrant issued by the competent authority of the requesting state, except the case when the latter breached the conditions under which the extradition has been granted.

65. Surrender of extradited person

An excerpt from the final judgment through which the extradition was decided. is considered as the necessary and sufficient legal basis for the surrender of the extradited person.

1) After the judgment of on the admission of extradition enters in force, the court shall inform the Prosecutor General or depending on the case the Minister of Justice with the purpose of subsequent information of the requesting state or of the international court , about the place and date of surrendering the person as well as about the duration of the detention served in relation to extradition.
2) The date of surrender shall established within 15 days from the date the judgment on extradition becomes final.

Article 66. Timeframes of surrender of the extradited person

1) The Prosecutor General or depending on the case the Minister of Justice shall urgently make known to the competent authority of the requesting state the decision adopted in regard to extradition, communicating at the same time an excerpt from the final judgment.
2) Any decision on total or partial rejection shall be reasoned;
3) The place of surrender shall be, as a rule a border crossing check point of the Republic of Moldova. The Ministry of Interior shall insure the surrender communicating about this to the Prosecutor General or depending on the case to the Ministry of Justice. The extradited persons is surrendered and taken over under escort.
4) Except the case foreseen by paragraph (3) if not taken over on the set date, the person whose extradition is requested could be released after expiry of 15 days, calculated from this date and in any case shall be released after the expiry of 30

days, calculated from the date set for surrender, if the bilateral treaty does not foresee better conditions for this person.

5) In case of force majeure which impedes the surrender or receipt of the extradited person, the interested state shall inform about this the other state. Both states shall agree on a new surrender date, applying the provisions of paragraph (3).

Art. 67 Postponed surrender

(1) The existence of criminal proceedings in the Republic of Moldova against the person whose extradition is requested or the fact that this person serves a prison punishment shall not impede the extradition.
(2) In cases foreseen by paragraph (1) the surrender of the extradited can be postponed. In case of postponement, the extradition can become effective only when the trial has ended and in case of conviction to a prison punishment only after this has been executed or considered as executed.
(3) The surrender of extradited person can be postponed also when on the basis of a forensic report it is acknowledged that the person has a disease that could jeopardize hi/her life.

Article 68. Provisional or conditional surrender

1) In case provided by part (1) article 67, extraditing the person can be transferred to time if the requesting state proves that the transfer delay can cause a heavy damage, as, for example, the prescription expiry. Such transfer is carried out provided that the damage will not be caused expansion of current criminal trial in and that the requesting state will give guarantees that after the performance of procedural acts in the Republic of Moldova for which the extradition has been carried out will transfer back extradited person.
2) Under the petition of the requesting state transferred on one of ways provided by the present law, temporary transfer is approved definition of judicial instance which has considered the request for an extradition in the first instance.
3) With a view of request consideration about temporary transfer the judicial instance analyzes observance of the conditions provided by part (1), and also requests the conclusion, on circumstances, body of the criminal prosecution which is carrying out criminal prosecution, or the judicial instance considering case, or an executive body.
4) If the person transferred to time serves time or to him any preventive punishment is applied, execution of those is examined suspended from the date of when the person has been transferred the competent authorities of the requesting state, and about one day when it has been transferred back to the Republic of Moldova authorities.

Article 69. Transit

1) The transit on the territory of the Republic of Moldova extraditing the person who is not the citizen of the Republic of Moldova can be resolved in case of an

offence for which the extradition according to the Republic of Moldova and under condition of public order observance is supposed.

2) If extraditing person has citizenship of transit is given only in cases when the extradition of own citizens can be resolved.
3) Transit is given on demand of the interested state, formulated and transferred on one of the ways provided by part (1) article 50 on which the warrant on pretrial arrest or the order about serving of punishment in the Republic of Moldova of the of deprivation of liberty, the basis for extradition granting is applied at least.
4) Request for transit is examined by the General public prosecutor or, on circumstances, the Minister of Justice.
5) Decision of the General public prosecutor or the Minister of Justice is immediately inform the Moldovan Ministry of Internal Affairs for the transit organization of extraditing person, and also to the requesting state.
6) In case of transit by an air way when landing on the territories of the Republic of Moldova is not supposed, sufficient is the notice sent by the competent authorities of the requesting state to the Ministry of Justice. In case of an emergency landing this notice is valid request for temporary arrest with a view of an extradition, and the requesting state immediately directs al request for transit. Thus in appropriate way provisions of part (3) are applied.
7) Extraditing the person at the time of transit remains in a condition of temporary arrest for his staying on the territory of the Republic of Moldova.

Article 70. **Re-extradition to a third state**

1) Besides the application of the rule of specialty the consent of the Republic of Moldova is necessary to allow for the requesting state to transfer to other state the person who has been transferred it also which is searched by the third state for the offences preceding transfer. The can demand representation of the documents provided by part (3) article 50.
2) Position of article 63 is applied in the corresponding way.

Section 2. Request for extradition by the Republic of Moldova

Article 71. Duty of request for extraditions

The extradition of the person in which respect competent judicial instances of the Republic of Moldova have given out the warrant on pretrial arrest or have published the order about serving of punishment in the Republic of Moldova with deprivation of liberty or have applied a security measure is requested to the foreign state on which territory the location of the given person has been established, in all cases when it meets the conditions provided by the present law.

Article 72. J**urisdiction**

1) The request for an extradition is made on the basis of the international convention which parties are the Republic of Moldova and the requested state, or on the basis

of written obligations on the conditions of reciprocity.

2) In case the international convention with the requested state has not been concluded, the question on request giving on an extradition dares on diplomatic channels.
3) The decision of a question on giving to bodies of the requested state of request for an extradition of not sentenced person is within the jurisdiction of the Prosecutor General and the sentenced person - to the jurisdiction of the Minister of Justice.
4) In case of the sentenced persons who have escaped from places of deprivation of liberty on territory of the Republic of Moldova if there has been initiated criminal investigation, the General Prosecutor's Office requests an extradition both for bringing to criminal liability, and for punishment serving. If the criminal investigation has not been initiated, the Ministry of Justice requests an extradition for serving of the remaining part of the punishment.

Article 73. Legal basis

1) The provisions of paragraph (1) of the present chapter are applied in the corresponding way in case the Republic of Moldova is the requesting state.
2) Besides a condition about gravity of the punishment provided by article 47, an additional condition that the Republic of Moldova could request an extradition of the person with a view of carrying out of criminal investigation the condition about that to the person in respect whom the criminal investigation has been initiated and indictment brought according to the Criminal Procedure code.

Article 74. The action necessary for submission of request for extradition from the Republic of Moldova

1) The provisions of art. 50 paragraph (3) are applied accordingly.
2) Documents listed regarding paragraph (3) of article 50 are represented by the authorities initiating the procedure of extradition to the General Prosecutor's Office or, on circumstances the Minister of Justice in duplicate: one in the Republic of Moldova official language, another in translation into the language of the requested state or into any other language according to provisions of the applied international convention or reservations to it.

Article 75. Request for temporary arrest with a view for extradition

1) In urgency cases and if the conditions provided by the present law for requesting the extradition, the competent authorities of the Republic of Moldova can before the formulation of an extradition request the temporary arrest with a view of an extradition of the person, on the basis of the warrant on pretrial arrest or orders about serving of punishment internationally wanted on the basis of an arrest warrant or on the basis of an order for serving the punishment issued by the court.
2) Request for temporary arrest with a view of an extradition is formulated by the authority which issued the warrant on provisional arrest or has taken out the order about serving of punishment in is directly transmitted to the General Prosecutor’s

Office or the Ministry of Justice or transferred through National central bureau of the Interpol in the Republic of Moldova which is obliged to extend it through the channels of the International organization of a criminal police (Interpol).

3) The authorities of the Republic of Moldova are obliged to withdraw request for temporary arrest with a view of an extradition in case on the person whose extradition is requested, are not extension more warrant position on pretrial arrest or orders about punishment serving.

Article 76. Re-adjudication of case in respect to the extradited person

Through the request for extradition the Republic of Moldova gives guarantees according to part (1) article 49 for a re-adjudication of the case in the presence of the extradited person.

Article 77. Request for subsequent extradition to the Republic of Moldova

In case if the Republic of Moldova requests the foreign state about the subsequent extradition of the person whose extradition has been earlier granted it by a third state are applied in the corresponding way of position of article 70.

Article 78. Taking over the extradited person

The provisions related to the surrender-acceptance of the extradited person provided by articles 65 and 66, are applied in the corresponding way to the persons extradited in the Republic of Moldova.

Article 79. Receipt of extradited person

1) The extradited person delivered to the Republic of Moldova is immediately transferred to the administration of penitentiary system or, depending on the case to competent authority.
2) If the extradited person has been sentenced in absentia, the case shall be re-adjudicated under the application with observance of the rights provided by the Criminal Procedure legislation.
3) If the extradited person has been sentenced through a judgment for committing several crimes and a cumulative punishment has been ordered, and the requested state has accepted extradition only for a single crime the Ministry of Justice shall request the court which delivered the sentencing to separate the punishments established by an initial judgment, and removal of decision on of the order of serving of punishments with a view of observance of a rule of specialty.

Article 80. Stay in adjudication of the request for extradition

If the requested state stays the adjudication of the extradition request the national body initiating procedure of an extradition, is formulated by the central authorities and after

stay the Republic of Moldova repeatedly represents materials necessary for an extradition.

Article 81. Refusal in extradition

In case the requested state refuses the extradition, the Republic of Moldova shall request the transfer of the criminal proceedings or the recognitions and enforcement of judgment according to the present law.

Article 82. Expenses

1) The expense related to the procedure of extradition carried out on the territory of the republic of Moldova are paid by the Republic of Moldova with budgets of interested authorities and institutions according to the established powers.
2) Expenses related to the transit paid by the requesting state.

Article 83. Fraud at extradition

The transfer of person by means of dispatch, readmission, forwarding to border or other measure of the same character is forbidden at any intention to violation of extradition rules.

Chapter V Transfer of sentenced persons

Part 1. General provisions

Article 84. General provisions

1) Person sentenced on territory of the Republic of Moldova according to part 3 chapters IX section III, Special part of the Criminal Procedure code and of the present law can be transferred on the territory of other state for an execution of the punishment applied to him by judgment, delivered by a court of the Republic of Moldova
2) The person sentenced in other state can be transferred according to part of 3 chapters IX of section of III Special part of the Criminal Procedure code and of the present law on the territory of the Republic of Moldova.
3) The Republic of Moldova either as sentencing state or as the execution state can initiate the procedure of transferring the sentenced person under the statement of this person, and under the reference of his lawful representatives, the lawyer, husband, wife, close relatives, brothers or sisters.
4) The request for transfer, submitted both to the state of sentencing, and to the execution state, is formulated indicating the international convention on which basis the requested transfer will be carried out, or with the request for application of conditions of the reciprocity coordinated and guaranteed by the states.

Article 85. Expenses

1) The expenses related to the application of the present law the execution state, except for the expenses connected exclusively with a finding on territory of the state of condemnation carries.
2) Expenses related to realization of transfer of sentenced persons from the Republic of Moldova are carried out at the expense of the means provided annually in the state budget for financing of activity of penitentiary system.
3) The sentenced person, his lawful representatives, the lawyer, the husband and wife, close relatives , brothers or sisters can address to the Minister of Justice with the request to resolve transportation of the sentenced person at own expense with execution of all expenses related to transportation without right to apply on compensation by their state. Such requests should be motivated. The Minister of Justice can agree to such request if the urgent transportation of the sentenced person caused by an unsatisfactory state of his health, by intolerable conditions of the conclusion in the state of condemnation, danger to a life and health in case of transportation lateness, and also in other similar cases is requested. Refusal of the Minister of Justice can be appealed against according to article 92.

Article 86. Application in time

Position of the present chapter is applied to execution of the punishments which have been taken out before coming into force of the present law.

Section 2. The Republic of Moldova as the state of sentencing

Article 87. The duty of transmission of information

1) Any sentenced person, who is the subject of transfer, is formulated by the Department penitentiary institutions of the Ministry of Justice through administration penitentiary systems on presence at him the right to ask transfer in the execution state, and also about the exact content of the applied international convention.
2) If the sentenced person expresses desire to be transferred, the Ministry of Justice informs competent central body of the state of execution with representation of the information provided regarding (3) article 553 of the Criminal Procedure code, and demands from it representation of the document provided in point 1) of part(2) article 554 of the Criminal Procedure code, Copies of provisions of the law of the state of execution from which follows that the acts which have caused adjudication in the state of condemnation, make a offence provided and the state punishable according to the internal legislation of execution, or would make such offence if have been made in his territory.
3) About any action undertaken by the state of condemnation or the state of execution, and also about any decision adopted any of two states in connection with request for transfer, the sentenced person in writing is formulated by the Ministry of Justice directly or through administration penitentiary Department institutions penitentiary institutions.

Article 88. Consent to be transferred

1) Department sentenced on transfer penitentiary institutions provides observance of the conditions provided regarding part (1) article 555 of the Criminal Procedure code, operating so that the person agreeing to transfer on the basis of point 4) part (1) article 552 of the Criminal Procedure code, has made it voluntary and with full comprehension of legal consequences following from it.
2) On demand of the state of execution the Ministry of Justice through Department penitentiary institutions gives to the state of execution possibility to check up via the consul or other official nominated together with the state of execution that the consent to transfer has been given according to part (1) conditions.

Article 89. Procedure of consideration of request for transfer

1) The request for the transfer, formulated by the sentenced person or one of the persons listed regarding (3) article 85, is transferred to the Ministry of Justice which in this connection requests for representation in 15-day term:

a) from competent judicial instance – the documents and information corresponding part (3) article 553 and to point 3) part (2) article 554 of the Criminal Procedure code;
b) from Department penitentiary institutions - the documents provided by point 4) of part (2) and part (5) of article 554 of the Criminal Procedure Code, namely: Any medical or social report about sentenced, any information on treatment on territories of the state of condemnation and any recommendations about prolongation of this treatment in the execution state; the document the execution of additional punishment in case of his application; the information on a damage caused owing to delegation of offence, and also on its compensation with the appendix, necessarily, requested transfer.

2) Documents provided regarding (1), can be requested and as consequence of request for the transfer, formulated by any of two interested states.
3) On receipt of documents and the information provided regarding (1), the Ministry of Justice after their consideration can make the decision on refusal in requested transfer in case possesses the information or the documents proving refusal. To acceptance of such decision coordination procedure at national level by request giving about transfer sentenced for consideration can precede the General Prosecutor's Office, and also, at necessity, to other institutions.
4) In the absence of the reasons for refusal in transfer sentenced the Ministry of Justice after consideration of documents provides their transfer according to the requirements applied in each case separately, with observance of the reservations formulated by the requested state to the international convention on which basis transfer of the sentenced is carried out Also transfers these documents together with request for transfer of the state of execution sentenced to competent bodies with request at them the consent to transfer realization. Simultaneously with request transfer about transfer and the documents enclosed to it from the execution state the message on what of two procedures specified regarding (1) article 99, will be applied can be requested.
5) In case of acceptance motivated decisions on refusal in the transfer, provided

regarding (3), the Ministry of Justice informs on it within 15 days competent central body of the state of execution. The information of the sentenced is carried out according to part(3) article 87.

6) After the removal of obstacles, proving refusal in transfer, the request for the transfer, provided by part (1), can be formulated repeatedly and examined according to the procedure established by the present law.

Article 90. Acceptance of request for transfer

1) If procedure of consideration of request for transfer proceeds, in a case provided by part (4) article 89, all documents, including the executions presented by the state, are exposed the Ministry of Justice to check about compliance with the provisions of the international convention, that is about observance of conditions of realization of transfer.
2) After the transfer has been approved by the state of condemnation and the execution state, the Ministry of Justice demands, that the execution state has taken necessary measures for reception of permission to transit the territories of the third states at a convoy of the sentenced person in case of crossing by their overland way.
3) Transfer of the sentenced person is carried out by Department penitentiary the institutions, co-operating directly with competent body of the state of execution with a view of an establishment of an effective way of transfer-acceptance of the sentenced person and date, a place, time, an escort and other necessary details. Acceptance of the state of execution sentenced by competent body is carried out, whenever possible, in a check point through the border of the Republic of Moldova.
4) In case the person sentenced by a definitive sentence, taken out by judicial instance of the Republic of Moldova, makes runaway and finds a refuge in the state territory which citizen is or in which territory has a constant residence or in which looks like on a residence, being the foreign citizen or the person without citizenship, the Republic of Moldova can direct to the given state request for acceptance of an execution of the punishment. Such request can be formulated authority, responsible for considering questions of an execution of the punishment, and is transferred to the requested state through the Ministry of Justice. In request the request to the state which has served by a refuge for sentenced, about acceptance of measures on his arrest or any other measure, guaranteeing can contain that the fugitive remains in his territory in expectation of the decision by the formulated request. The arrest of the person in this case should not conduct to deterioration of his criminal position.

Article 91. Refusal in transfer of sentenced person

Request for transfer of the sentenced person can be rejected on the following reasons:
a) the person has been sentenced for the offences which have caused negative public opinion in the Republic of Moldova;

b) the punishment provided by the legislation of the state of execution, is obvious above or below the punishment established by judgment, taken out by judicial instance of the Republic of Moldova;

c) there are sufficient signs of that after transfer the sentenced person can be released immediately or after short time concerning duration of the punishment which have remained for serving according to the legislation of the republic of Moldova;
d) the sentenced person has not indemnified a loss caused by delegation of offence, and also has not compensated or did not guarantee compensation of a damage and the expenses established by a verdict of guilty, taken out by judicial instance of the Republic of Moldova;
e) there are enough signs of that the state of execution will not observe a concreteness rule, having resorted to criminal reprisals against the sentenced person for acts preceding transfer, others, rather than what motivated punishment application, without preliminary reception of the permission to it Republics Moldova;
f) there is a threat of that the person whose transfer is requested, will be subjected the relation brutal or humiliating treatment from outside bodies of the state of execution. In case of need the competent authorities of the Republic of Moldova can request of the state of execution the permission for check in a jail of conditions of the conclusion existing in the drawn state.

Article 92. The appeal of refusal

The Decision on refusal in realization of transfer of the sentenced person, adopted by the Republic of Moldova authorities as the states of condemnation, can be appealed against within the limits of administrative court procedure in the Court of Appeals Chisinau.

Article 93. Stay and termination of transfer procedure

1) The Republic of Moldova as the state of condemnation at occurrence of any circumstances interfering removal of the final decision concerning satisfaction of request for transfer or its deviation or concerning transportation of the sentenced person, can make the decision on staying the procedure of transfer which is subject to renewal after elimination of the reasons which have caused decision-making on stay, with informing the state of execution and the sentenced person.
2) Begun procedure of transfer stops at the moment of a request response about transfer of the sentenced person or at the moment of refusal of the person of transfer with mutual information of the interested states.

Article 94. Consequences of transfer for the state of condemnation

1) The acceptance of the sentenced person by the authorities of the state of execution attracts stay of an execution of the punishment in the republic of Moldova.
2) The Republic of Moldova cannot execute further punishment in case the execution state considers according to the legislation an execution of the punishment finished.

Article 95. Revision of decisions

Only the Republic of Moldova as the state of condemnation has the right establish any form of appeal related to revision of a judgment which can to be requested the sentenced person even after transfer realization.

Part 3. The Republic of Moldova as the execution state

Article 96. The necessary documents

1) The provisions concerning the Republic of Moldova as the state of condemnation are applied in the corresponding way and in a case when the Republic of Moldova is the execution state.
2) The Republic of Moldova as the execution state represents to the condemnation state by its request through the Ministry of Justice the documents provided in point 1) part (2) article 554 of the Criminal Procedure code, a copy of provisions of the law of the state of execution from which follows that the act which has caused acceptance of a judgment in the state of condemnation, is a offence provided and punishable according to internal legislation of the state of execution, or would be such offence if it has been made in his territory, and also any other necessary information.
3) From competent body of the state of condemnation the Ministry of Justice requests the information provided in points 2) - 4) parts (2) article 554 of the Criminal Procedure code, and also, in case of need, any medical or social report about sentenced , any information on his treatment on territory of the state of condemnation and Any recommendations about prolongation of this treatment in the execution state; the document confirming execution of additional punishment in case of its application; the information related to the damage caused owing to delegation of offence, and also on its compensation.

Article 97. The consent of the sentenced person

1) The Ministry of Justice shall request the representation by the central competent authorities of the state of condemnation of the declaration in which the consent of the sentenced person to transfer at own will and with full comprehension of the legal consequences following from his transfer to the Republic of Moldova.
2) The competent authorities of the Republic of Moldova can request through the Ministry for Foreign Affairs and European integration the competent Moldovan consular institutions about check realization, whether there was a declaration of the sentenced person or his representative is carried out in the conditions provided regarding (1). At the same time in the Moldavian consular office can be requested to draw up written information about the social and the marital status of the sentenced person taking into account his statements and indicating the possibilities of his reintegration in the Republic of Moldova.
3) Upon the appropriate application of provisions of part (5) of article 554 of the Criminal Procedure Code the competent authorities of the Republic of Moldova

can request representations by competent body of the state of condemnation of a copy of data on a previous conviction of the sentenced person and any other additional information concerning condemnation or necessary for request consideration about transfer or for an execution of the punishment and social reintegration the sentenced person after the termination of execution of a sentence.

Article 98. Procedure of consideration of request for transfer

1) In case of reception by the request Ministry of Justice about transfer on behalf of the person sentenced in other state, or from other persons listed regarding (3) article 84, or on behalf of the state of condemnation following actions are undertaken:

a) the information provided regarding (3) article 553 of the Criminal Procedure code, and the documents provided regarding (2) article 96 of the present law, with the request for lack of any obstacles is transferred to competent central bodies of the state of condemnation, able to prove refusal, to present the documents provided regarding (3) article 96 of the present law;

b) if it is established that the request for transfer cannot be satisfied, the Ministry of Justice informs the applicant, and also the sentenced person according to part(3) article 87.

2) After reception from the state of condemnation of the consent to realization of transfer with the documents enclosed to it provided in part(3) article 96, the Ministry of Justice, having checked up the information of the given consent to provisions of the international conventions, transfers request for transfer together with the petition and (2) in parts (2) and (3) article 96 documents on consideration of judicial instance according to part(1) article 556 of the Criminal Procedure code with an establishment of equality of instances depending on jurisdictional the competence. Simultaneously with request transfer about transfer the Ministry of Justice specifies, what procedure according to part(1) article 99 should be applied, in view of reservations on this point in question, formulated by the states at the moment of ratification or joining to the applied international convention, and also any other special request on this point in question, arrived from the state of condemnation,
3) Petition of the Ministry of Justice is examined according to the procedure established in article 556 and 557 Criminal Procedure codes, with participation of the representative of the Ministry of Justice from the division specializing in area of rendering of the international legal assistance.
4) Motivated decision adopted in the shortest terms in which are specified also the terms of punishment which should be left in the Republic of Moldova. The penitentiary type institutions, a maintenance mode, additional punishment and an order of compensation of a damage in the presence of the civil suit and which can be appealed against in a cassation order within 10 days from the moment of acquaintance with it, is transferred to the Ministry of Justice by judicial instance within three working days from the date of its acceptance. The notice of the sentenced person is carried out by the Ministry of Justice by means of transferring

or any other means of handing to the central body of the state of condemnation with request for representation of certified acknowledgement on the notice of the sentenced person. After definition of judicial instance of the Republic of Moldova became definitive, it is transferred through the Ministry of Justice to competent central bodies of the state of condemnation that transfer of the person could be carried out.

5) After approval of transfer by the states the Ministry of Justice, in case of need, undertakes all necessary measures for reception of the permission to transit by an request about the transit on behalf of the Ministry of Justice, having asked preliminary from Department penitentiary institutions an establishment of a route of movement of an escort. The given request should contain the necessary information on the sentenced person or that should be added, copies of texts of applied laws, a verdict of guilty and any other information requested by the state of transit and necessary for consideration of request. The request for transit can contain also the petition for the maintenance provided by part (2) article 106.
6) After reception of the corresponding permission from outside the states of transit transfer-acceptance of the sentenced person is carried out by Department penitentiary institutions according to part (3) article 90.
7) The sentenced person, which transfer it is carried out in the Republic of Moldova cannot be subjected criminal prosecution for the same act which has made a condemnation subject abroad.
8) Provisions of present article are supplemented with provisions of articles 89, 90 and 92, applied in appropriate way.

Article 99. Consequences of transfer for the state of execution

1) The competent authorities of the Republic of Moldova should:

a) to continue sentence execution immediately or on the basis of a judgment according to article 100; or

b) to change condemnation by a judgment, having replaced thus the punishment applied in the state of condemnation, the punishment provided legislation of the Republic of Moldova for the same offence, according to article 101.

2) On demand of the state of condemnation the Ministry of Justice before transfer of the sentenced person specifies, what of two procedures resulted regarding part (1), will be applied.
3) Execution of a sentence is carried out according to the law of the state of execution, and this state is unique competent to make all necessary decisions.

Article 100. Continuation of execution of a sentence

1) In case the Republic of Moldova procedure of continuation of execution of the sentence which has been taken out in the state of condemnation, the judicial instance should observe legal essence and duration of sanctions such with what they follow from a sentence.
2) Provisions of part (2) article 557 of the Criminal Procedure code in appropriate

way are applied.

Article 101. Change of condemnation

1) In case of change of condemnation limits of change of punishment are established by judicial instance of the Republic of Moldova with observance of the following conditions:

a) the judicial instance is based and takes into consideration only ascertaining of the facts in that measure in what they appear expressly or by implication in the judgment which has been taken out in the state of condemnation;
b) the judicial instance cannot change the punishment related to the Republic of Moldova of deprivation of liberty, to monetary collecting;
c) the judicial instance completely subtracts from punishment already left sentenced of deprivation of liberty term;
d) the judicial instance does not worsen position sentenced , but also is not guided by the lowest limit of punishment, probably state of condemnation provided by the legislation for the committed offence.

2) If the procedure of change of condemnation is spent after transfer of the sentenced person, the Republic of Moldova contains this person in the conclusion or takes other measures for maintenance of its presence on territory of the Republic of Moldova before the termination of this procedure.

Article 102. Refusal in transfer of the sentenced person

Request for transfer of the sentenced person can be refused on the following reasons:
a) the process on which the verdict of guilty has been announced, was not carried out according to provisions of the European convention on protection of the rights and the fundamental freedoms;
b) in the Republic of Moldova the sentence in respect of the sentenced person for the same act has been announced or criminal proceedings on the same act and against the same person is developed;
c) the sentenced person has left for a long time in the Republic of Moldova, having located in other state, and its mutual relations with the Republic of Moldova are insignificant;
d) the sentenced person has made the grave offence which has caused negative public opinion, or supported close connections with members of the criminal organizations that calls into question its social reintegration in the Republic of Moldova;
e) the transfer can pose threat for national safety, public safety, economic well-being of the state, protection of an order and prevention of criminal acts, health protection or morals or protection of the rights and freedom of other persons.

Article 103. The termination of execution of a sentence

1) The execution of a sentence ceases from the moment when the Republic of Moldova has been informed by the state of condemnation concerning any judgment or a measure which attracts elimination of executive character of a

sentence.

2) represents the information of the state of condemnation concerning sentence execution:

a) if considers execution of sentence as finished;
b) in case if sentenced will runaway;
c) if the state of condemnation requests the special report.

3) The information specified in part (1), is represented to the Ministry of Justice by Department penitentiary institutions with a view of transfer it to the competent central body of the state of condemnation.

Article 104. The pardon, amnesty, change or cancellation of the sentence

1) State of condemnation as well as the execution state, can pardon or amnesty the sentenced person falling under action of the present law or to change or cancel the sentence pronounced concerning it.
2) In case the state of condemnation is the Republic of Moldova, the Department on penitentiary institutions represents any necessary information caused by provisions of part (1), to the Ministry of Justice with a view of informing the competent central authority of the state of execution on necessity of the termination of execution of a sentence in its territory.

Part 4. The Republic of Moldova as the transit state

Article 105. Request representation about transit

1) The Republic of Moldova resolves sentenced person transit on its territory according to the national legislation if the request for transit has been formulated by other state which has agreed with the third state about transfer of the sentenced person into its territory or from its territory.
2) Requests for transit and answers are informed through the Ministry of Justice. The answer about the consent to requested transit or about refusal in it is provided after the coordination of this problem with other bodies which can reveal the bases for refusal in the transit permission.
3) The request for transit is not necessary if the air space of the Republic of Moldova is used and landing to its territories is not expected.

Article 106. Providing measures

1) In case of request for transit the Republic of Moldova can contain the sentenced person in the conclusion for the period strictly necessary for transit on its territory. The conclusion is provided with Department penitentiary institutions.
2) The Republic of Moldova as to the state requested for granting of transit, the demand on maintenance of that the sentenced person was not exposed neither to prosecution, nor the maintenance in the conclusion, except for cases of application of provisions of part (1), to any other restriction of a personal liberty on territories of the state of transit for acts or the condemnation, preceding to its

departure from territory of the state of condemnation can be made.

Article 107. The bases for refusal in granting of transit

The Republic of Moldova can refuse granting transit:
a) if the sentenced person is its citizen or has a constant residence on territory of the Republic of Moldova or is the foreign citizen or the person without the citizenship, looking like on a residence on the republic of Moldova territory;
b) if the offence which has served by a subject of condemnation, is not a offence according to the legislation of the Republic of Moldova.

Chapter VI. Recognition of foreign criminal decisions

Section 1. Recognition and execution of foreign criminal decisions

Article 108. General provisions

1) The final decisions in criminal cases of foreign judicial instances can be executed in the Republic of Moldova in an order provided by the Criminal Procedure Code and the present part.
2) The provisions of part (1) are not applied to the procedure of transfer of the sentenced persons provided regarding part 3 chapter IX section III special part of the Criminal Procedure Code and in the chapter V of the present law.

Article 109. Special provisions of admissibility

1) On the territory of the Republic of Moldova the execution of the decision of foreign judicial instance is carried out on demand about recognition and the execution, formulated by the competent authorities of the state of condemnation.
2) The request for recognition and execution is supposed, if besides the basic conditions established by part (2) article 558 of the Criminal Procedure Code, following special conditions are met:

a) the sentenced person is the citizen of the Republic of Moldova constantly lives on its territory or is the foreign citizen or the person without the citizenship, looking like on a residence in the Republic of Moldova;
b) concerning act on which the verdict of guilty has been announced, there is not begun criminal investigation in the Republic of Moldova;
c) the decision on execution in the Republic of Moldova can favour the social reintegration the sentenced person;
d) the decision on execution in the Republic of Moldova can favour to compensation of the damage caused by a offence;
e) the punishment or of the application of security measures established by the decision, makes more than one year.

3) The decision of foreign judicial instance also can be executed, if the sentenced person endures on territory of the Republic of Moldova punishment for other offence rather than established by a sentence which execution is requested.

4) The decision of foreign judicial instance by which punishment has been established or the security measure is applied, can be executed and in a case when an extradition of the sentenced person it has been refused by the Republic of Moldova authorities even if conditions of points c)-e) - part (2) are not met.

Article 110. Limits of execution

1) Execution of the decision of foreign judicial instance is limited:

a) the execution of the punishment, related to term of deprivation of liberty or with application of the security measure related to the term of deprivation of liberty;
b) the execution of the penal sanction, if on the territory of the Republic of Moldova territory there is enough property to guarantee as a whole or partially given execution;
c) the execution of a security measure in the form of special confiscation;
d) the execution of deprivation of the rights as it is defined by the European convention on international validity judgments on the criminal cases, adopted in the Hague on May, 28th, 1970.

2) The Republic of Moldova can refuse the execution if:

a) considers that the sanction has been appointed for a offence having tax or religious character;
b) the sanction has been appointed for act which according to the legislation of the Republic of Moldova could be within the exclusive competence of administrative body;
c) the decision of foreign judicial instance has been taken out by bodies of the requesting state for a moment when criminal act on a offence for which fulfillment punishment has been established, would be examined lost a limitation period according to the legislation of the Republic of Moldova;
d) the decision has been taken out for lack of the sentenced person, and last could not take treatment of possibility of its appeal in judicial instance;
e) the decision of foreign judicial instance has been taken out in the form of the order in criminal case as it is defined in the European convention on the international validity of judgments on the criminal cases, adopted in the Hague on May, 28th, 1970.

3) Additional punishment appointed by decision of foreign judicial instance, is executed in that measure in which it is provided in the legislation of the Republic of Moldova and has not been executed in the state of condemnation.

Article 111. Procedure of recognition

1) The request for recognition of the decision of the foreign judicial instance which execution has been requested, is transferred to the Ministry of Justice. In the request text the international convention on which basis execution is requested is underlined.
2) On the request for a recognition are applied a certified copy of the decision and, necessarily, if it is provided by the applied international convention, the declaration in which the consent of the sentenced person, and also the on duration of pretrial arrest or about left before representation of request of part of punishment is expressed.
3) Ministry of Justice through the specialized bathing division carries out check of

compliance of the request for recognition and execution and the documents enclosed to it to provisions of the international conventions and transfers to its competent judicial instance according to part (1) article 559 of the Criminal Procedure code or represents to the General Prosecutor's Office according to the competence.

Article 112. Consequences of execution

1) The execution of the decision in criminal cases of foreign judicial instance is carried out according to the Republic of Moldova legislation.
2) Decisions recognized and admitted to execution on territory of the Republic of Moldova the decision of foreign judicial instance have the same legal consequences, as the decisions which have been taken out by national judicial instances.
3) Only the foreign state requesting execution of the decision has the right to make the decision concerning the appeal beginning in an exclusive order of the executed decision.
4) Amnesty and the pardon can be given as the Republic of Moldova and the foreign state.
5) The foreign state informs the Republic of Moldova on approach of any (3) in parts (3) and (4) reasons, proving change or the execution.
6) Beginning of an execution of the punishment in the Republic of Moldova attracts refusal of the foreign state of the given execution on the territory, except for a case when the sentenced person evades from an execution of the punishment, and it leads to that the foreign state gets again the right to execution. In case of application of penal sanctions the foreign state gets again the right of execution since the moment when it has been informed on full or partial failure to execute the given punishment.

Article 113. The purpose of penalties and confiscated assets

The execution of fine is done in Moldovan lei at the official rate of exchange at date of payment.

1) Sums of money received as a result of execution of penal sanctions, the foreign judicial instances applied by accusatory decisions, are listed in the state budget of the Republic of Moldova.
2) On demand of the state of condemnation the sums of money provided regarding (2), can be transferred it if in the same circumstances the sums of money received as a result of execution of penal sanctions, applied by the decisions which have been taken out in the Republic of Moldova are transferred to Moldova.
3) The objects confiscated on the basis of the decision of foreign judicial instance, belong to the Republic of Moldova but on demand of the state of condemnation they can be transferred it if they are of special interest for it and if there is a reciprocity guarantee.
4) The provisions of parts (2) - (4) are applied in the corresponding way in case of request for execution of the decision which has been taken out by judicial instance

of the Republic of Moldova in the foreign state.

Section 2. Execution abroad decisions on the criminal cases, taken out by national judicial instances

Article 114. Conditions of delegation of execution

1) The request for execution abroad decisions on the criminal cases, taken out by judicial instance of the Republic of Moldova can be carried out in the presence of one of following conditions:

a) the sentenced person is the citizen of the requested state or has in its territory a constant residence on the territory of the Republic of Moldova being the foreign citizen or the person without citizenship;
b) the sentenced person is the citizen of the Republic of Moldova with a constant residence on territory of the requested state;
c) the sentenced person has also citizenship of the requested state;
d) the extradition of the sentenced person in the Republic of Moldova with a view of an execution of the punishment is not supposed according to the legislation of the requested state;
e) there are bases to consider that the execution of the punishment in the requested state can favour social reintegration the sentenced person;
f) duration of the applied punishment makes more than one year;
g) the sentenced person has expressed the consent after has been informed on execution consequences abroad.

2) Execution can be requested also, if:

a) the sentenced person endures in the foreign state punishment as deprivation of liberty, established for other punishment, rather than for what it has been sentenced in the Republic of Moldova;
b) to the sentenced person the security measure expulsion has been applied.

3) Execution on the foreign state territory is requested under condition that the punishment applied by the decision taken out in the Republic of Moldova not be changed for the worse.

Article 115 Execution procedure abroad decisions on the criminal cases, taken out by national judicial instances

1) Request for the consent to execution to territories of the foreign state is formulated under own initiative by the body which is responsible for execution, or under the petition of the competent public prosecutor or the sentenced person at observance of conditions of article 114.
2) Request for the consent to execution with the documents enclosed to it specified regarding (2) article 111, is represented to foreign bodies through the Ministry of Justice of Moldova.
3) If the consent of the sentenced person who is in prison in the Republic of Moldova The Department on penitentiary institutions certifies the will of the

sentenced person expressed voluntary and with full comprehension of legal consequences following from it. If the sentenced person is abroad, its consent can be certified consular employee of the Republic of Moldova or in any the friend to a lock, provided by the state legislation in which the sentenced contains.

4) In case the sentenced person is on territory of the Republic of Moldova and not it has formulated request for the consent to execution, the body which has submitted request according to part (1) informing the sentenced person on the fact of formulation the request. Absence of the answer of from outside sentenced person is equated to its consent to formulating a request.

Article 116. Consequences of formulating the request on agreement to execution

1) The consequence of admitting by the foreign state of the request on agreement to execution has as consequence the refusal of the Republic Moldova to execute the decision on its territory.
2) The Republic of Moldova can again be vested the right to the execution of the decision in case the sentenced person evades from execution.
3) The provisions of parts (3) - (6) article 112 in appropriate way are applied.

Chapter VII Final and transitory provisions

Article 117

1) The present law is applied exclusively on the territory which is controlled by the Republic of Moldova.
2) The present law comes into force after 30 days from the date of its publication.
3) Provisions of the present law do not extend on the relations which have arisen before its coming into force.
4) The government in six-monthly period: present to offer Parliament on modification and additions in the Criminal Procedure code and current legislation in compliance with the present law;

The Chairman of Parliament Marian Lupu

№ 371-XVI. Chisinau, 1st of December, 2006

- **Law No 220-XVI on state registration of legal entities and private entrepreneurs (19.10.2007)**

Chapter I
GENERAL PROVISIONS

Article 1 The field of regulation

The Law hereof regulates the procedure of legal entities and private entrepreneurs' state registration, legal entities and private entrepreneur's state registers storing, as well as settling the state registration body and the registrar's legal status.

Article 2 Overview of Notions

According to the Law hereof, the notions have the following meanings:

act of incorporation – a document of the legal entity (contract of incorporation, statute), drawn up in line with legal requirement;

decision of constitution – an instrument (protocol, order, declaration) that expresses the will of the founders to constitute a legal entity;

state registration – an action of the state registration body consisting of certifying constitution, reorganization, dissolution, suspension of activity or reactivation of a legal entity, its branches or representative offices, as well as registration of amendments of the articles of association of a legal entity, data record in the State Register, which has the effect of legal entities legal capacity acquirement and cease, natural persons' acquirement and cease of individual entrepreneurs title;

individual entrepreneur – a natural person, with full dispositive legal capacity, carrying out entrepreneurial activity on his own behalf and risk, without constituting a legal entity, and is registered, according to the legislation in force,

state identification number (IDNO) – a unique numerical code assigned by the state registration body to legal entities and individual entrepreneurs at the moment of state registration, which serves for the abovementioned persons identification in the Republic of Moldova informational systems;

one stop shop principle – a principle, according to which, the state registration body, in collaboration with public authorities, obtains notifications and information required for state registration of the legal entities and individual entrepreneurs, as well as sends to the above-mentioned authorities, via electronic networks, information on state registration, without involving the applicants into this process.

Natural persons state register, Individual entrepreneurs state register (hereinafter *State register*) – these are data resources that present an integral part of the State register of law entities and that contain data concerning legal entities and individual entrepreneurs registered in the Republic of Moldova;

[Art.2 supplemented by Law nr.127 of 18.06.2010, in force as of 03.09.2010]

Article 3 Scope of the Law

The Law hereof is applied for state registration of legal entities, their branches and representative offices or natural persons - individual entrepreneurs, if it is not otherwise provided by other legislative acts.

Article 4 Fees for State Registration and Data Supply

(1) The state registration of legal entities, their branches and representative offices, as well as natural persons in capacity of individual entrepreneurs, and the registration of the amendments of the articles of association and of recorded data in the State register is carried against an amount of 250 lei in case of legal entities and 54 lei for individual entrepreneurs.

(2) Other services within the field of the state registration, stipulated by Art.35, are accomplished against an amount, the quantum and the means of payment of which are established by the Government.

(3) The amounts mentioned in section (1) and (2) are accumulated at the account of the state registration body and are used for its activity development.

(4) The registration of legal entities and of private entrepreneurs, stipulated by the amendment of the legislation, is accomplished free of charge.

(5) The data from the State register is presented to public authorities three of charge.

Article 5 Location and Terms of State Registration

(1) Legal entities, their branches and representative offices, as well as individual entrepreneurs are registered at the territorial office of the state registration body, in whose jurisdiction they have their legal address.

(2) The legal entities, their branches and representative offices, as well as private entrepreneurs state registration is accomplished within 5 working days from the date of submission of all instruments necessary for the registration.

Article 6 State Registration confirmation

(1) The document confirming the state and fiscal registration of legal entities and individual entrepreneurs is the certificate of registration.

(2) The form of the certificate of registration for legal entities and individual entrepreneurs is approved by the Government.

(3) The certificate of registration is issued to a legal entity and individual entrepreneur after the state registration.

(4) The certificate of registration is issued to the legal entity and individual entrepreneur in case of loss or defacement of the authentic act. To receive a duplicate, the following should be presented:

a) an application of the legal entity or individual entrepreneur according to a model approved by the state registration body;

b) a copy of the notice published in the "Monitorul Oficial" of the Republic of Moldova, where the loss of the certificate of registration is stated;

c) a document confirming the payment of the fee for duplicate issue.

Chapter II
THE STATE REGISTRATION OF LEGAL ENTITIES

Article 7 Documents Necessary for the State Registration

(1) The following documents should be presented for the state registration:

a) an application of registration filled in according to a model approved by the state registration body;

b) a decision of constitution and the articles of association of the legal entity, subject to the legal form of organization, made in two copies;
[Lett.c) abrogated by Law nr.184 of 15.07.2010, in force as of 10.08.2010]
d) a bill confirming payment of the registration fee.

(2) For the registration of legal entities created by reorganization of state enterprises, of the enterprises with a part of the authorized capital held as state property, unions of enterprises, associations, holdings, transnational corporations, industrial – financial groups, financial institutions, pensions and non-governmental funds, insurance bodies, educational institutions, museums, theaters, circuses, concert organizations, scientific and innovation field institutions, medical sanitary and balneal sanitary institutions, the state registration body will require the authorization (notice) of the respective body, prescribed by Law.

(3) The authorization (notice) will be issued by the public authorities, usually, in electronic form, at the request of the state registration body, within 7 working days from the presentation of the documents provided for by paragraph (1), let. b). If the public authority will not give its response to the state registration body within the term provided in the paragraph hereof, the authorization (notice) will be considered to be offered tacitly.

(4) For the state registration of the legal entities with foreign investment, besides the documents provided for by paragraphs (1) and (2) the following documents are submitted:
a) an extract from the national register from the investor's home country;
b) incorporation documents of the foreign legal entities;
c) a criminal record of the administrator, foreign natural person, issued by the competent authorities of the home country and of the Republic of Moldova.
[Art.7 amended by Law nr.127 of 18.06.2010, in force as of 03.09.2010]
[Art.7 para.3 amended by Law nr.184 of 15.07.2010, in force as of 10.08.2010]

Article 8 Means of Execution and Submission of the Documents for the State Registration

(1) The documents for the state registration are executed in the state language and are submitted to the state registration body by the founder or by his representative person empowered by a certified power of attorney in the way prescribed by Law.

(2) The electronic instruments will be transmitted to the state registration body by electronic networks observing the provisions of Law on Electronic Document and Digital Signature No 264-XV of the 15th of July 2004 and Government's normative acts in the field.

(3) If, in the circumstances established by the state registration body or at the solicitor's request, the data necessary for the registration can be obtained by means of official electronic informational networks, the document referred to is not solicited from the founder.

(4) The date of documents submission for the state registration is considered the date of their receipt by the state registration body.

(5) On receiving an application and documents for the state registration, the depositor is issued a certificate of confirmation of the application's receipt, where it is indicated the application number and the date of its receipt, the name of the office, the list of the provided documents, the issuing date. In case the documents are received by means of electronic network, the solicitor will be sent a confirmation by means of the mentioned network.

(6) The state registration body does not dispose the right to refuse the receipt of the application for registration or to solicit other documents than those prescribed by Law.

Article 9 Legal Entity's Name

(1) The name of the legal entity must correspond to the provisions provided for by Art.66 of the Civil Code.

(2) The legal entity which name contains the official name of the state or of an administrative–territorial entity will be registered if its use was allowed in the circumstances and by means stated by Law.

2^1 The name of the legal entity eradicated removed from the State Register may be used by another legal entity after a 2 year period from the removal.

2^2 At the request of the founder, the name of the legal entity may be reserved by the state registration body for up to 6 month.

(3) The legal entity disposes the right to use its name from the moment of the state registration.

(4) In case of changing the name, the legal entity is obliged to solicit from the state registration body the entry of a corresponding record in the State register within 30 days.

(5) On the day of registering the name modification, the state registration body will publish a notice regarding this fact on its official site and will solicit publishing of the same notice in the "Monitorul Oficial" of the Republic of Moldova, at the expense of the legal entity, under the sanction of damages-interests penalty.

[Art.9 supplemented by Law nr.127 of 18.06.2010, in force as of 03.09.2010]

Article 10 Legal Entity Registered Office

(1) The state registration body records in the state register the data concerning the registered office of the legal entity indicated in the articles of association and it has no right to request other documents confirming these data. The legal entity undertakes the responsibility for the authenticity of the data presented with regard to the registered office.

(2) In case of changing the registered office, the legal entity is obliged to solicit the state registration body to enter a corresponding record in the State register within 30 days.

(3) The legal address is considered to be changed and it is opposable to third parties from the moment of this fact registration in the State register.

(4) On the day of registering the modifications regarding the registered office, the state registration body will publish a notice about this fact on its official site and will solicit publishing of the same notice in the "Monitorul Oficial" of the Republic of Moldova, at the expense of the legal entity, under the sanction of damages-interests penalty.

Article 11 Registration Procedure

(1) The registrar checks the legality of the acts presented for registration and, in the terms established by Art.5, takes a decision concerning registration or its refusal.

(2) The legal entity is offered a state identification number (IDNO) at the moment of the registration, which is indicated on the front page of the constituent instruments.

(3) The legal entity is considered to be registered on the day of taking the decision of registration.

[Art.11 supplemented by Law nr.127 of 18.06.2010, in force as of 03.09.2010]

Article 12 Registration of Legal Entities' Subsidiaries and Representative Offices

(1) The subsidiaries and representative offices of the legal entities are registered with the condition of recording their name and legal addresses in the legal entity articles of association.

(2) The branches and representative offices of the legal entities are registered without giving the status of a legal entity. The procedure related to foreign branches and representative offices of the legal entities is similar to that of the native entities, with the peculiarities specified in Law on Investment in the Activity of an Entrepreneur No 81-XV of the 18th of March 2004.

(3) The following instruments should be presented for the state registration of branches and representative offices:

a) an application of registration written according to a model approved by the state registration body;
b) a decision of the legal entity competent body, which will include the data regarding constitution of a branch or representative office, of the approval of its regulations and appointment of an administrator.
c) the branch or representative regulation in two copies;
d) a notice of the Moldova National Bank - for branches and representative offices of the financial institutions;
e) a document confirming payment of the state registration fee.

(4) Branches and representative offices of the local legal bodies are assigned state identification numbers similar to the state identification number of the legal entity which has founded them.

(5) Branches and representative offices of the foreign legal entities are assigned state identification numbers regardless of the identification number of the foreign legal entity which has created them.

Article 13 The refusal of state registration of legal entities

(1) The state registration of the legal entity is not admitted in the following circumstances:

a) non-submission of all the documents necessary for registration;
b) incompatibility of the incorporation documents and other documents submitted for registration with the requirements prescribed by Law;
c) violation of the legal procedure of constitution, reorganization, dissolution, suspension of activity or reactivation of a legal entity, amendment of legal entity's articles of association;

c[1]) for a period of 3 years, if a new legal entity is to be incorporated by the founder whose previous legal entity was excluded from the State Register in the result of application of art. 1741[1] of the Tax Code;

[art. 13 paragraph (1) p. c[1]) introduced by LP145-XVI of 27.06.08, Monitorul Oficial 127-130/18.07.08 art. 500, in force from 01.01.09]

d) violation of the term of submission of the documents for registering modifications in the constituent instruments or in the data recorded in the state Register for ungrounded reasons.

(2) In cases provided for by paragraph (1), the registrar takes a decision to refuse the registration.

(3) The state registration cannot be refused from reasons of inexpediency.

(4) The rejection of the state registration cannot prevent a repeated submission of the documents concerning registration, if the causes that served as a ground for rejection of the registration have been removed.

(5) The decision to reject the registration can be appealed against in a judicial instance and can be cancelled only by the judicial instance.

Article 14 Decision of Registration

(1) The decision of registration signed by the registrar is drawn up in two copies, one of which is kept at the state registration body, the other one is issued to the solicitor.

(2) The registrar disposes the right being duty-bound or at the request of a person concerned to correct in the decision adopted the errors that contravene the articles of association and other visible errors. For this, a resolution of mistakes correction is taken, it does not annul and does not modify the legal character of the decision of registration.

(3) The decision of registration can be appealed against in a judicial instance and can be annulled only by the judicial instance.

Article 15 The Files of the Legal Entities, Their Subsidiaries and Representative Offices

(1) The state registration body will keep record files for each registered legal entity, branch and representative office, where all the documents submitted for registration will be stored.

(2) The mode of keeping the record files is established in the regulations approved by the state registration body.

Chapter III
OPERATED AMENDMENT REGISTRATION IN THE ARTICLES OF ASSOCIATION OF THE LEGAL ENTITY AND IN THE DATA RECORDED IN THE STATE REGISTER

Article 16 Registration of Amendments Made in the Constituent Instruments and in the Data Recorded in the State Register

(1) The registration of amendments made in the constituent instruments and in the data recorded in the state register is accomplished by the means and on

conditions provided for legal entity registration, if it is not otherwise provided by Law.

(2) The legal entity is obliged to present the documents for amendments' registration to the state registration body within 30 days from the moment the decision on amending the articles of incorporation or data recorded in the State Register was taken. In case of reorganization of the legal entity, the deadline for submitting the documents for registering the amendments is 30 days after termination of 3-months period from the last publishing of the notice concerning the reorganization.

(3) If an authorization (notice, permit, agreement, decision) of a public authority is necessary for the amendments registration, the state registration body will apply the procedure provided in art.7 paragraph (3).

(4) The operated amendments in the articles of incorporation and data recorded in the State Register have legal power from the date of their registration at the state registration body

[*Art.16 supplemented by La nr.127 of 18.06.2010, in force as of 03.09.2010*]

Article 17 Instruments Necessary for Amendments' Registration

To register the amendments made in the incorporation documents and in the data recorded in the state register, the legal entity will submit the following documents to the state registration body:

a) an application for amendments' registration according to a model approved by the state registration body;
b) a decision of the competent body of the legal entity concerning alteration of the constituent instruments and data recorded in the State register;
c) an additional deed concerning the amendments of the incorporation documents;
d) a bill confirming payment of the amendments' registration fee.

Article 18 Registration of Suspension of Activity or Reactivation of a Legal Entity

To register legal entity suspension of activity or reactivation the following documents are submitted:

a) an application of suspension of activity or reactivation registration according to a model approved by the state registration body;
b) a decision of the competent body of the legal entity concerning legal entity suspension of activity or reactivation;
c) incorporation documents;
d) a copy of the notice of legal entity suspension of activity or reactivation, published in the "Monitorul Oficial" of the Republic of Moldova.
e) a certificate, issued by the territorial tax inspectorate, which certifies the lack of arreas to the national public budget at the moment of taking the decision of suspension of activity, obtained according to the procedure provided for by Art.7 paragraph (3);
f) the stamp (stamps) of the legal entity (for suspension of activity).

Article 19 Duty-Bound Registration of a Passive Legal Entity

(1) The legal entity that has previously activated within 12 months and has not presented the fiscal reports provided for by Law, is considered to be a passive legal entity.

(2) In case of the signs provided in the paragraph (1) have been established, the registrar being duty-bound will take a decision of registering the passive legal entity and records the corresponding data, including the mention "passive" in the State register.

(3) The registration of the data concerning the exclusion of the legal entity from the category of those passive is accomplished at the request of the legal entity, by submitting the following documents:

a) an application according to a model approved by the state registration body;

b) a confirmation of the Main State Fiscal Inspectorate concerning the presentation of a fiscal report.

(4) The Main State Fiscal Inspectorate will present information concerning legal entities indicated in paragraph (1) to the state registration body quarterly.

Chapter IV
REGISTRATION OF LEGAL ENTITIES SUBJECT TO REORGANIZATION

Article 20 Notification of the State Registration Body about the Beginning of the Reorganization Procedure

(1) The legal entity subject to reorganization is obliged to announce in written form the state registration body about the reorganization within 30 days from the moment of taking the appropriate decision. The notification implies the entry of the reorganization procedure in the State Register.

(2) To record in State Register the beginning of reorganization procedure, it is necessary to submit to the state registration body the decision of reorganization, approved by the competent body of the legal entity or by the court.

(3) The registrar takes the decision concerning the registration of the beginning of legal entity reorganization procedure and he/she enters in the State register the mention "in process of reorganization".

Article 21 Instruments Necessary to Register the Reorganization

(1) At the termination of a 3-months term after the last publication of a notice concerning the reorganization, the competent body of the legal entity subject to reorganization or created after the reorganization will submit the following documents to the state registration body:

a) an application of reorganization registration according to a model approved by the state registration body;

b) a draft of the agreement on merger or, if necessary, a draft of the agreement on legal entity split-off;

c) a decision of reorganization taken by the competent body of each legal entity participating at reorganization;

d) the articles of association of the legal entity participating at reorganization;

e) the articles of association of the newly created legal entity;
f) a document confirming the offered warranties acceptance by creditors or a document confirming payment of the debts, if necessary;
g) an authorization of merger, if necessary;
h) a deed of assignment or a sheet of allotment, if necessary;
i) copies of reorganization visas of the legal entity, published according the provisions of Art.72 of the Civil Code;
j) a bill confirming the payment of the registration fee.

(2) Before submitting the documents for reorganization registration, the legal entity which ceases to exist is obliged to close its banking account (accounts) and to abolish the seal, if necessary, on its own responsibility, under penalty of loss-interest.

Article 22 Means of Registration of a Legal Entity Subject to Reorganization

(1) The registration of legal entities subject to reorganization by fusion (fusion and merger), dismemberment (division and separation) or transformation is accomplished by the means provided for by Art.11.

(2) The reorganization of legal entities by fusion is considered completed from the moment of the state registration of the legal entity created as a result of fusion. The articles of association of the legal entity created as a result of fusion will contain mandates concerning the transfer of all property rights and liabilities of the legal entity reorganized.

(3) The legal entity created as a result of fusion is given a new state identification number. The legal entities participating at the fusion cease to act and are stricken off the State register.

(4) In case of reorganization of legal entities by absorption, the absorbing body makes in the articles of association some amendments concerning the appropriation of the property rights and liabilities of the absorbed body.

(5) The absorbing legal entity will keep its state identification number. The absorbed body ceases its activity and is stricken off the State register.

(6) The reorganization of a legal entity by division is considered completed at the moment of the state registration of the legal entities created as a result of division. The articles of association of the legal entities created as a result of division will contain the mandates concerning the assessment of an appropriate part of its rights and liabilities of property belonging to the divided legal entity on the grounds of a division sheet.

(7) The new legal entities created as a result of division will be issued new state identification numbers. The legal entity reorganized by division ceases its activity and is stricken off the State register.

(8) In case of reorganization by separation, the legal entity makes amendments in the articles of association concerning the transfer of an appropriate part of its rights and liabilities of property to the existent legal entities or to those created as a result of division, on the grounds of a division sheet.

(9) The articles of association of the existent legal entities or those created as a result of division will contain mandates concerning the assessment, on the

grounds of a division sheet, of the appropriate part of its rights and liabilities of the property belonging to the legal entity reorganized by separation.

(10) The legal entity reorganized by separation keeps its state identification number. The new legal entity created as a result of separation is given a new state identification number.

(11) The reorganization of a legal entity by transformation is considered completed at the moment of the state registration of the legal entity created as a result of transformation. The articles of association of the legal entity created by transformation will contain mandates concerning the assessment, on the grounds of a transfer sheet, of all its rights and liabilities of the property belonging to the legal entity reorganized by transformation.

(12) The legal entity reorganized by transformation will keep its state identification number.

(14) [Para.13 abrogated by Law nr.127 of 18.06.2010, in force as of 03.09.2010] The state registration body that registers the legal entity created as a result of the reorganization enters this fact in the State Register; it also strikes the reorganized legal entity off the State register.

(15) The registration of legal entity reorganization is performed by the office of the state registration body where the legal entity subject to reorganization has been registered.

Chapter V
STRIKING THE LEGAL ENTITIES OFF THE STATE REGISTER

Article 23 Dissolution Registration

(1) Registration of legal entity dissolution is performed in accordance with the provisions of Article 89 of the Civil Code.

(2) The registrar takes a decision concerning registration of legal entity dissolution and enters the corresponding information in the State Register. On registering legal entity dissolution the state registration body enters in the State Register a record "in process of winding up" in the official language („în lichidare"). From this moment on the participation of a legal entity being wounded up in the quality of a founder (member) at another legal entity is banned.

(3) The dissolution of a legal entity involves initiating of a procedure for liquidation except for the cases provided for by section (2) of Article 86 of the Civil Code. Since the date of registration of legal entity dissolution its executive manager becomes its liquidator if the competent authorities or judicial instance has not appointed another person to be a liquidator.

(4) The liquidator notifies the state registration body which has registered the legal entity of his appointment within three days and submits for entry of the data in the State Register the following documents:

a) an application according to a model approved by the state registration body;

b) a decision concerning liquidator appointment.

In case of appointment of some liquidators having the right of common representation of the legal entity the data concerning them are entered in the State Register.

(5) In case of appointment of a trust manager (trust managers) he notifies the state registration body of his appointment in time and in the order stipulated by section (4).

Article 24 Documents Necessary for Striking a Legal Entity off the State Register

(1) to strike a legal entity off the State Register the following documents are presented:

a) an application concerning striking off according to a model approved by the state registration body;

b) a liquidation balance-sheet or a plan of assets assignment, approved by the body or judicial instance, which has appointed the liquidator;

c) a document confirming absence of arrears to the national public budget, submitted in accordance with the procedure stipulated by section (3) of Article 7;

d) copies of notices concerning reorganization or liquidation of the legal entity, published according to provisions of Article 72 or 91 of the Civil Code.

(2) Before the documents of striking off the State Register are presented the legal entity being wounded up has to close its bank account (accounts) at its own risk and to hand in to the competent authority the seal for abolishment.

(3) If there is available a judicial instance decision concerning liquidation and striking the legal entity off the State Register being in force there is no need to submit the documents stipulated by section (1).

Article 25 Striking a Legal Entity off the State Register

(1) The liquidator submits an application concerning striking the legal entity off the State Register in time and in the order stipulated by Article 98 of the Civil Code.

(2) The legal entity is considered liquidated since the decision concerning its striking off the State Register is taken.

(3) The registrar takes a decision concerning striking off within three working days since the day of receipt of an application regarding striking off.

(4) If, after striking the legal entity off the State Register, the state registration body has received judicial instance decision on reopening of the liquidation procedure of the legal entity, the state registration body shall take, at its own initiative, a decision to restore the data from the State Register, according to the situation before the legal entity winding up. If the judicial instance appoints a new liquidator, the data related to the appointed liquidator shall be entered into the State Register.

(5) Striking the legal entity off the State Register, on which the liquidation procedure was reopened, is performed based on the juridical instance decision.

[Art.25 amended by Law nr.127 of 18.06.2010, in force as of 03.09.2010]

Article 26 Exclusion of the legal entities from the State Register at the initiative of the state registration authorities

(1) The legal entity which has not submitted the tax statements prescribed by legislation within 12 months since the day of registration and has not executed any bank accounts operations is considered ceasing its activity (hereinafter referred to as a non-operating legal entity).

(2) On establishing the signs stipulated by section (1) and provided that the non-operating legal entity has no arrears to the national public budget, it is not a

founder of another legal entity and has no subsidiaries and representative offices, the state registration body initiates a procedure of striking the legal entity off the State Register at its own initiative taking a decision concerning initiation of the procedure of striking off.

(3) The state registration body publishes a notice concerning initiation of the procedure of striking the legal entity off the State Register free of charge at its official web-site and in the Monitorul Oficial of the Republic of Moldova within three working days since the date of taking the decision concerning initiation of the procedure of striking off the State Register. The notice contains information concerning the mode and term of application submission by the non-operating legal entity subject to striking off, setting up the claims by the creditors and other interested persons as well as the address where these claims can be submitted at.

(4) The applications and claims can be submitted within six months since the date of publication of the notice stipulated by section (3).

(5) In case the applications and claims have not been submitted the state registration body takes the decision of striking the non-operating legal entity off the State Register at its own initiative and strikes it off within three working days since the date of expiration of time allotted to applications and claims submission. In case the applications and claims have been submitted the liquidation of the non-operating legal entity and its striking off the State Register is performed in accordance with the common conditions prescribed by law; at the same time the state registration body has no right to decide the question of striking the non-operating legal entity off the State Register at its own initiative.

(6) The Main Tax Inspectorate presents to the state registration body quarterly the information about the legal entities which have not presented the tax statements prescribed by legislation and have not performed any bank accounts operations within 12 months since the date of registration, indicating presence or absence of their arrears to the national public budget in order to take decision concerning their striking off the State Register.

(7) The list of the founders who are denied the registration of newly founded entities, according to the provisions of art. 13 par. (1) p. c^1), will be submitted to the State Registration Chamber by the Main State Tax Inspectorate, according to the regulation approved by the Government.

(8) On the basis of the information presented by the Main State Tax Inspectorate on the legal entities who were applied the provisions of art. 174^1 of the Tax Code, the State Registration Chamber will exclude the corresponding entities from the State Register.

[Art.26 amended by Law nr.109 of 04.06.2010,in force as of 30.07.2010]

[Art.26 supplemented by Law nr.145-XVI of 27.06.2008, in force as of 01.01.2009]

Article 27 Documents Necessary to Strike off the State Register Subsidiaries and Representative Offices

(1) In order to strike the subsidiaries and representative offices off the State Register the state registration body is presented the following documents:

a) an application concerning striking off according to a model approved by the state registration body;

b) a decision of the competent authority of the legal entity which has founded the subsidiary or representative office.

(2) Striking off the subsidiaries and representative offices of a foreign legal entity is performed in accordance with the provisions prescribed for striking off a domestic legal entity.

(3) The registrar takes a decision concerning striking off within three working days since the date of receipt of the application concerning striking off.

Chapter VI
STATE REGISTRATION
OF INDIVIDUAL ENTREPRENEURS

Article 28 Procedure of State Registration of Individual Entrepreneurs

(1) The following documents are presented for state registration of individual entrepreneurs:

a) an application concerning registration according to a model approved by the state registration body;

b) a document confirming payment of registration fee.

(2) On state registration of individual entrepreneurs the documents are presented in the order prescribed by Article 8.

(3) On state registration the identity and legal capacity of natural person are checked.

(4) The registrar takes a decision concerning registration or registration refusal within three working days since the day of documents presentation.

(5) The decision concerning registration is drawn up according to Article 14.

(6) The documents submitted by an individual entrepreneur together with the decision concerning registration are kept in a record file at the archive of the state registration body.

Article 29 Procedure of Amendments Introduction in the State Register of Individual Entrepreneurs

(1) An individual entrepreneur is obliged to present the following documents to the state registration body within three days since the day of modification of the data which have been previously entered in the State Register:

a) an application concerning registration of amendments according to a model approved by the state registration body;

b) a document confirming modification of the data previously entered in the State Register;

c) a document confirming payment of amendments registration fee.

(2) The registrar takes a decision concerning amendments registration or refusal of amendments registration within three working days since the date of documents submission.

Article 30 Refusal of Individual Entrepreneur Registration

(1) The state registration of an individual entrepreneur is not allowed if:

a) a natural person has been already registered as an individual entrepreneur;

b) the corresponding person has been denied the right to perform entrepreneurial activity by a judicial instance decision.

(2) In cases stipulated by section (1) the registrar takes a decision concerning registration refusal.
(3) Refusal of state registration on account of inexpedience is not allowed.
(4) The refusal of state registration cannot serve an obstacle for repeated submission of documents for registration if the reasons serving as a ground for registration refusal have been eliminated.
(5) The decision of registration refusal can be appealed against in a judicial instance and it is subject to reversal only by the judicial instance.

Article 31 Termination of the private entrepreneur

(1) The activity of the private entrepreneur terminates on:
a) the request of the private entrepreneur in case of absence of any debts to the public national budget;

[art. 31 paragraph (1) p. a) amended by LP145-XVI of 27.06.08, Monitorul Oficial 127-130/18.07.08 art. 500, in force from 18.07.08]

b) by a decision of judicial instance;
c) in case of death;
d) by other grounds prescribed by the current legislation.
(2) Individual entrepreneur activity is considered terminated since the moment of striking off the State Register.
(3) Striking off the State Register of an individual entrepreneur at his own initiative is performed according to an application concerning striking off filled in according to a model approved by the state registration body.
(4) The registrar takes a decision concerning striking off within three working days since the day of submission of the documents specified in section (1).

Chapter VII
STATE REGISTER

Article 32 Principles of State Register Maintenance

(1) The State Register is maintained in accordance with the registers law, the present Law and other normative acts.
(2) Maintenance of the State Register represents entry of the data concerning registered, reorganized and liquidated legal entities including their subsidiaries and representative offices, concerning amendments introduced in their constituent instruments and other data concerning legal entities as well as information about acquirement of the quality of an individual entrepreneur by a natural person and termination of his activity.
(3) The state registers are maintained in hard copy (record file) and in electronic form by means of an automated information system.
(4) The state registers are maintained in the official language.
(5) Maintenance of the State Register is performed by the state registration body.

Article 33 State Register Content

(1) The following data concerning legal entities are entered in the State Register:
a) full and abbreviated name in the official language;
b) business legal structure;
c) date of registration and state identification number;

d) legal address (postal address, telephone, fax, e-mail address), including subsidiaries and representative offices;
e) legal entity (yes, no);
f) country of origin of the founders;
g) method of constituting (foundation or reorganization) and information about legal succession;
h) principal types of activity and term of activity;
i) surname, name, personal identification number (IDNP), place of residence, telephone of the founders (members) and executive manager – natural persons; state identification number, date of registration and legal address (postal address, telephone, fax, e-mail address) of the founders (members) – legal entities;
j) type of property and source of finance;
k) authorized capital amount and shares of the founders (members);
l) data of annual financial account (for a business entity) – according to the data presented by the National Statistics Bureau;
m) surname, name, data of identity card, place of residence, telephone and other data of the trust manager and/or a person responsible for bankruptcy process appointed by a judicial instance as well as personnel of the executive, supervisor and controlling bodies;
n) date of registration of the amendments entered in the constituent instruments, amendments essence;
o) data of beginning, suspension, or termination of reorganization procedure, initiating of insolvency procedure, application of a plan or data of dissolution prescribed by legislation;
p) data of suspension or renewal of activities;
q) data of the licenses issued, suspended, cancelled, declared invalid (issued by the Licensing Chamber);
r) order of activity termination (by reorganization, dissolution or striking off the State Register according to a decision at the initiative of the state registration body);
s) liquidator's data: surname, name, place of residence, number of identity card and personal identification number;
t) data of passive legal entities;
u) surname, name and position of the person performing registration.

(2) The following data of a natural person – individual entrepreneur are entered in the State Register of individual entrepreneurs:
a) surname, name, personal identification number, place of residence, telephone;
b) registration date and state identification number;
c) principal types of activity;
d) data of the licenses issued, suspended, cancelled, declared invalid (issued by the Licensing Chamber);
e) date and reason of activity termination (on application, according to a judicial instance decision, because of death, etc.);
f) surname, name and position of the person performing the registration.

(3) The data are entered in the State Register according to the documents submitted for registration.

(4) The data of telephone (fixed, mobile), fax, e-mail entered in the State Register can be supplemented from other sources.

Article 34 Openness and Procedure of Information Release from the State Register and Constituent Instruments

(1) The data of State Register and constituent instruments are open and public in the limits specified by the law on access to information, state secret, commercial secret, protection of personal data, registers and international treaties in this sphere, which party the Republic of Moldova is.

(2) The information from the State Register and constituent instruments of a legal entity or natural person – individual entrepreneur is presented on demand in the form of:

a) an extract from the State Register;
b) a copy of constituent instruments;
c) information from the constituent instruments;
d) a certificate confirming any fact.

(2^1) Record files or documents in original from the record files are not released.

(2^2) Documents in original from record files may be presented during the court hearing, at request of the judicial instance.

(2^3) Record files or documents in original from the record files may be raised under conditions set out in Criminal Procedure Code.

(3) The term of information release from the State Register and constituent instruments is three working days since the applicant's address.

(4) The payment for copies and excerpts from the State Register and constituent instruments should not exceed the expenses of their drawing up.

[Art.34 amended by Law nr.127 of 18.06.2010, in force as of 03.09.2010]

Chapter VIII
STATE REGISTRATION BODY

Article 35 State Registration Body

(1) The state registration of legal entities and natural persons indicated in Article 3 is performed by the State Registration Chamber (hereinafter referred to as the Chamber) by means of its territorial branches.

(2) The Chamber has the status of a state enterprise.

(3) The main functions of the Chamber are:

a) state registration of legal entities and individual entrepreneurs;
b) maintenance of the State Register;
c) issue of extracts from the State Register;
d) rendering of legal aid and other services in the sphere of state registration of legal entities and individual entrepreneurs;
e) participation at development of laws in the sphere of state registration of legal entities and individual entrepreneurs;
f) assistance or participation in the study, evaluation and analysis of the state registration sphere;
g) issue of the Official Journal of the State Registration Chamber.

Article 36 Registrar

(1) The registrar is a person authorized to perform state registration of the legal entities and individual entrepreneurs. The registrar performs his activity at a territorial branch of the Chamber. The registrar can be a person being a Licentiate in Law. The regulation on carrying out the contest for registrar position if approved by the state registration body.

(2) The registrar:

a) considers applications concerning state registration of legal entities and individual entrepreneurs, concerning registration of amendments in the constituent instruments and data entered in the State Register, concerning registration of reorganization, suspension or renewal of activity as well as applications concerning striking off the State Register;

b) checks the identity of natural persons – executive manager and founders of the legal entity as well as of individual entrepreneur in accordance with the data base of the State Population Register;

c) certifies the constituent instruments of legal entities as well as amendments to the constituent instruments and data entered in the State Register;

d) registers legal entities, individual entrepreneurs or refuses their registration taking a corresponding decision;

e) considers repeated applications concerning state registration of legal entities and individual entrepreneurs, concerning registration of amendments in the constituent instruments and data entered in the State Register, concerning registration of reorganization, suspension or renewal of activity as well as applications concerning striking off the State Register, checks fulfillment by the applicant of the requirements specified in the decision concerning refusal of state registration taken previously;

f) receives the callers and gives consultations on the issues of state registration of legal entities and individual entrepreneurs;

g) presents information about state registration to the local public authorities and regional tax inspectorates;

h) keeps record of legal entities and individual entrepreneurs at the corresponding territorial branches and presents the necessary information to the Chamber;

i) provides integrity and permanent safety of the record files;

j) performs other functions connected with state registration of legal entities and individual entrepreneurs.

[Art.36 amended by Law nr.127 of 18.06.2010, in force as of 03.09.2010]

Article 37 Co-operation with Public Authorities

(1) The Chamber co-operates with public authorities.

(1^1) The Chamber presents to the National House of Social Insurance, National Health Insurance Company, National Bureau of Statistics and Main State Tax Inspectorate, in a hard copy or electronic form, information from the State Register concerning registration, reorganization or liquidation of the legal entity or individual entrepreneur, as well as amendments in their incorporation documents, within 3 working days from the moment of their registration.

(2) The information from the State Register and constituent instruments of the legal entities is presented to the public authorities on their demand in a hard copy or in electronic form.
(3) The Licensing Chamber presents monthly based information about the licenses issued, suspended, cancelled or declared invalid to the Chamber in electronic form.
(4) In case of revealing unauthentic (falsified) documents the Chamber notifies the law enforcement and controlling bodies of this fact in order to take the necessary measures.
(5) Record files of the legal entities, their subsidiaries and representative offices, as well as of individual entrepreneurs are issued to the law enforcement representative offices and controlling bodies in the cases stipulated by legislation.

[Art.37 supplemented by Law nr.127 of 18.06.2010, in force as of 03.09.2010]

Article 38 Responsibility

The violation of provisions of the present law entails administrative, civil and criminal responsibility prescribed by legislation.

Chapter IX
FINAL AND TRANSITIONAL PROVISIONS

Article 39

(1) The present Law comes into effect on expiration of six months since its publication.
(2) Law on State Registration of Enterprises and Organizations No 1265-XIV of the 5th of October, 2000 is declared void since the date of entry into force of the present law
(3) Individual entrepreneurs, registered before the present law has come into effect are acknowledged as individual entrepreneurs and are not subject to re-registration.
(4) The state registration of natural persons as individual entrepreneurs terminating their activity on the basis of a business patent in connection with expiration of the term specified in section (2) Article 18 of Law on Business Patent No 93-XIV of the 15th of July, 1998 and its Appendixes, is performed free of charge.
(5) The condition concerning term stipulated by section (1) of Article 26 is also applied in case of this term expiration before coming into effect of the present law or within a year since its entry into force.
(6) The Government should within three months:

a) present to the Parliament proposals concerning bringing of the current legislation to conformity with the present law;
b) bring their normative acts in compliance with the present law.

SPEAKER **Marian LUPU**

№ 220-XVI, Chisinau, the 19th of October, 2007.

- **Law No 581-XIV on Foundations (30.07.1999)**

Chapter I.
General Provisions

Article 1. Concept of Foundation

Foundation is a noncommercial organization which has no membership and established on the basis of constitutive document by one or by several physical and/or juridical persons possessing property, which is isolated and separated from the property of founders, and which is designed for accomplishing noncommercial objectives prescribed by Statute.

Article 2. Legal Status of Foundation

From the moment of its registration foundation shall acquire the status of juridical person.

Article 3. Legislation on Foundations

Activities of foundations, representations, and branches in foreign foundations, established within the territory of Republic of Moldova shall be regulated by the Constitution, current legislation, other normative acts, as well as international conventions and agreements in which either part is represented by the Republic of Moldova.

Article 4. Foundation Users

(1) Users of foundation shall be physical and juridical persons in favor of whom some payments could be exercised, services could be provided or, according to the statute of foundation, some part of foundation property could be transferred.
(2) In respect to foundation user, i. e. juridical person, the activity of foundation shall be socially useful only in case if this person is a noncommercial organization which is prescribed by points a) and b) in part (1) of article 52 of the Tax Code and conforms to the requirements of part (2) of this article.

Article 5. Public Foundations

Public foundations are foundations activity of which is directed to the protection of human rights, democratic development, receiving and dissemination of knowledge, upbringing, development of education and science, culture and art, physical training and amateur sport, health care, social protection, environmental protection, propagation of values common to all mankind, religion support, as well as other fields having socially useful nature.

Chapter II
Establishment of Foundation

Article 6. Founders of Foundation

(1) Foundation may be established on initiative of one or several physical and/or juridical persons (further - founder, founders).

(2) Founders, i. e. physical persons, can be any citizens of the Republic of Moldova capable of functioning, persons without citizenship and foreign citizens as well.
(3) Foundation can be established on the basis of testamentary disposition.
(4) Founders of foundation cannot be central or local governmental bodies and budget organizations.

Article 7. Title and Symbols of Foundation

(1) Title of foundation must necessarily contain the word "foundation".
(2) If the title of foundation contains the name of physical person, then the foundation must submit agreement of this person with respect to the title of the foundation to the Ministry of Justice, but in case if physical person whose name was used in the title of foundation is dead, then foundation must present agreement of husband (wife), parents and children of the full legal age of the dead person.
(3) Foundations may have emblems, flags, pennants. Symbols of foundation shall be approved by its governing bodies and registered in the Ministry of Justice.
(4) Title and symbols of foundation have to differ from titles and symbols of other juridical persons, including those liquidated under the decision of court or those terminated their functioning.
(5) Symbols of foundation must not coincide with national symbols of the Republic of Moldova and other states. Using the national coat of arms in attributes of foundation shall be prohibited.

Article 8. Location of Foundation

(1) Location of foundation shall be assigned to the seat of its governing bodies.
(2) Location of foundation may be place of residence of either of its founders.

Article 9. Foundation Property and Responsibilities

(1) Starting capital of foundation shall consist of material and/or financial funds devolved to it by founder.
(2) Property devolved to foundation by founder shall be in ownership of foundation.
(3) Foundation capital must provide implementation of objectives determined by statute. Starting capital of foundation must amount a total sum of not less than two hundred minimum wages which may not be reduced in the process of foundation functioning.
(4) Resources of formation of foundation funds may be:
a. founders' fees;
b. donations from physical and legal entities;
c. grants
d. income from the foundations' activity and its enterprises;
e. money received as a result of activity aimed at accumulation of capital (drives aimed at attraction of money; cultural, sport, and other events, entertainments).
[Art.9 al.(4) amended by LP154/21.07.05, MO126/23.09.05 art.611]
[Art.9 al.(4) amended by LP154/21.07.05, MO126/23.09.05 art.611]
(5) Public funds can be allocated to support activities performed by foundation only on competitive basis and only in case if foundation is certified as public. In doing so, public funds cannot be allocated on covering administrative expenditures of foundation.

(6) Foundation property cannot be used for the benefit of its founder, staff of governing bodies of foundation, as well as foundation staff.
(7) Founder shall not bear responsibility on obligations of foundation, as well as foundation shall not bear responsibility on obligations of founder.

Article 10. Foundation Establishment Act

(1) Founder (founders) shall sign Act on Establishment of Foundation which may be a decision on establishment, if founder is one person, or an agreement on establishment, if founders are two or more persons.
(2) Act on Foundation Establishment shall be certified by notary and must include:
a. information about founder (founders): for physical persons - family name, first name, date of birth, place of residence, citizenship, number and series of a document certifying a person; for juridical persons - number and date of issue of certificate on national registration, location, bank's requisites, family name and first name of head;
b. title of foundation;
c. aims of foundation;
d. categories of potential users of foundation;
e. term of foundation activities;
f. starting capital of foundation and order of its devolution;
g. usage of property in case of liquidation of foundation and procedure specifying this usage;
h. procedure of appointment and recall of staff of Foundation Board and their identification data;
i. signature of founder (founders).
(3) If foundation is established on the basis of testamentary disposition, the decision on establishment of foundation shall be signed by executor in accordance with the Certificate on Right of Succession and shall contain identification data of executor of testamentary disposition, family name and name of founder and data prescribed in part (2) of this article, excluding points a) and i). In Certificate on Right of Succession issued by notary to the executor of testamentary disposition the obligation to register foundation within a month on behalf of testator in accordance with current legislation shall be declared. If executor of testamentary disposition avoids from execution of obligations prescribed by testamentary disposition, then on demand of notary or the Ministry of Justice a judicial body shall take a decision obliging the executor to exercise these obligations.
(4) If foundation was established on the basis of testamentary disposition, then heirs at law and creditors of founder shall have the same rights on foundation as well as on any other property devised.

Article 11. Statute of Foundation

(1) Statute of Foundation shall be approved by founder (founders). If foundation is established on the basis of testamentary disposition, then its Statute shall be approved by executor of testamentary disposition in accordance to the Certificate on Right of Succession.
(2) Statute of Foundation must include:
a. the title of foundation;

b. location of foundation;
c. aims of foundation and ways of their accomplishment;
d. identification data about founder (founders);
e. procedure of devolution of property rights to foundation;
f. procedure of management foundation property and its disposal;
g. categories of potential users of foundation;
h. term of foundation activities;
i. procedure of appointment and recall of staff of Foundation Board, powers of Board, as well as procedure of decision-making;
j. organizational structure of foundation, titles of its structural subdivisions, if any, and their powers;
k. order of cessation of foundation activities, specifying conditions under which foundation can be liquidated;
l. usage of property in case of liquidation of foundation;
m. other special conditions which don't contradict legislation.
(3) In case if provisions of Foundation Statute contradict provisions of legislation, then provisions of legislation shall be applied.
(4) Governing bodies of foundation can make changes in Foundation Statute if possibility of such changes is specified by Statute. If preserving Statute in unchanged form results in some consequences which couldn't be predicted at the moment of foundation establishment, or if changes are not made by authorized persons, then the right to make changes shall be devolved to judicial institution on request of foundation bodies or the Ministry of Justice.

Article 12. Registration of Foundations, Branches, and Representations in Foreign Foundations

(1) Registration of foundations, branches, representations in foreign foundations shall be exercised by the Ministry of Justice.
(2) In order to register foundation, it is necessary, within one month from the day of signing act on foundation establishment by founder (founders) to present the following documents, number of which cannot be enlarged:
a. Application on Registration including information about aims of foundation, evaluation of costs required to accomplish them, as well as the order of formation of these funds. Application shall be signed by all staff of Foundation Board specifying the place of residence of each staff member;
b. Foundation Statute in two copies;
c. Act on Foundation Establishment in two copies;
d. bank document, proving payment of registration fees;
e. documents proving devolution of property to foundation;
f. written agreement of persons listed in part (2) article 7 of the current law in case of using the name of physical person in foundation title;
g. document proving location of foundation;
h. document proving the correctness of foundation title;
i. registration list assigning foundation a national identification code given to organizations.

(3) In order to register branches and representations in foreign foundations it is necessary to present decision of governing board of foundation on establishment of branch or representation specifying a person authorized by foundation to present the latter in the Republic of Moldova, Statute of Foundation translated into national language, as well as documents specified in points a), b), d), e), g), h), and i) in part (2) of this article.
(4) Amendments and supplements introduced into Foundation Statute shall subject to registration according to the order and in terms prescribed for registration of foundation.
(5) Registration fees in the amount of three minimum wages shall be charged for registration of statute, as well as amendments and supplements introduced into it. Registration fee shall not be charged for changes and supplements caused by changes in legislation.
(6) Document proving registration of foundation shall be Registration Certificate. Format of Registration Certificate shall be approved by Registry Office.

Article 13. Decision on Registration of Foundation

(1) The Ministry of Justice within one month from the date of submission of the documents for registration of a foundation shall be obliged to make one of the following decisions:
a. to register a foundation and issue a certificate of registration;
b. to postpone the registration of a foundation;
c. to refuse to register a foundation.
(2) Founder as well as his/her successors can not withdraw the property of a foundation after its registration.

Article 14. Postponement of Registration of Foundation

(1) Registration of a foundation may be postponed within three-month period in case of:
a. discrepancies between the documents submitted for registration and provisions of law;
b. violation of the order of establishment of a foundation envisaged by this Law.
(2) The decision to postpone the registration of a foundation shall be notified to an applicant within 3 days.

Article 15. Refusal to Register a Foundation

(1) The refusal to register a foundation shall be possible in case of:
a. the goals of a foundation are unlawful or its activity may damage principles of constitutional state, sovereignty, independence and territorial integrity of the Republic of Moldova as well as law order or moral norms;
b. requirements related in the decision to postpone the registration were not fulfilled within three months period;
c. the registering authority ascertained that documents submitted by a foundation contained inauthentic data;
d. early it was registered a foundation with the same name.
(2) The decision on refusal to register a foundation shall be notified to an applicant within three days.
(3) The decision on the refusal to register a foundation within the established term or for reasons which an applicant considers as groundless may be appealed in a judicial instance within 30 days month from the date of its communication.

[Art.15. (3) modificat prin L240/13.06.03, MO138/08.07.03 art.557]
(4) The refusal to register a foundation owing to inexpediency of its establishment shall not be allowed.
(5) The refusal to register a foundation is not the encumbrance to submit documents for the registration repeatedly after elimination of reasons which have been the grounds for the refusal. The re-examination of the documents is proceeded in the established order and levied with a registration fee.

Article 16. Registration of Symbols of Foundation

(1) To register the symbols of a foundation it shall be submitted:
a. application for the registration of the symbols signed by the head of a foundation;
b. decision of managerial body of a foundation on the confirmation of the symbols;
c. description and graphic image of the symbols.
(2) The application for registration of the symbols of a foundation shall be examined within one month from the day of its submission to make a decision on registration of the symbols or on refusal to register them.
(3) In case of registration of the symbols the certificate of registration shall be issued to a foundation in accordance with a sample established by the Ministry of Justice.

Article 17. Refusal to Register the Symbols of a Foundation

(1) The decision on refusal to register the symbols of a foundation shall be made in case of the symbols:
a. are identical with the registered ones;
b. represent the State emblem, flag or official name of the State, governmental awards and other distinctions;
c. contain names or portraits of natural persons without their permission;
d. conflict with the moral principles.
(2) The decision on the refusal to register a foundation shall be notified to the applicant and may be appealed in court in the established order.
[Art.17. (2) amended by L240/13.06.03, MO138/08.07.03 art.557]

Article 18. Subsidiaries and Representative Offices of a Foundation

(1) A foundation shall have a right to establish its subsidiaries and representative offices within the territory of the Republic of Moldova.
(2) The establishment of subsidiaries and representative offices in other states shall be regulated by laws of these states.
(3) The subsidiary shall represent a division of a foundation established by the decision of its body authorized to that by the Articles or other constituent document of a foundation. The subsidiary shall dispose outside the location of a foundation, have a specified location and carry out the same kind of activity that do a foundation.
(4) The representative office shall represent a division of a foundation established by the decision of its body authorized to that by the Articles or other constituent document of a foundation. The representative office shall dispose outside the location of a foundation, have a specified location, represent and protect interests of a foundation, and conclude bargains on behalf of a foundation.

(5) Subsidiaries and representative offices of a foundation shall not be corporate bodies and act on a basis of the regulation to be adopted by a foundation. Foundation shall allocate a share of its property to the subsidiaries and representative offices. The property of the subsidiaries and representative offices shall be on their own balances and balance of a foundation which established them.
(6) Heads of the subsidiaries and representative offices of a foundation shall be assigned by the decision of its body authorized to that by the Articles or other constituent document of a foundation and act on the basis of the letter of attorney.
(7) The subsidiaries and representative offices shall act on behalf of a foundation which established them and the latter shall account for their activities.
(8) In the departure of the part (5) of this article the subsidiaries and representative offices of foreign foundations established within the territory of the Republic of Moldova shall be the corporate bodies.
(9) The heads of the subsidiaries and representative offices of foreign foundations may be persons who reside in territory of the Republic of Moldova and assigned in conformity with the Articles of a foundation.
(10) The name of the subsidiary or representative office must contain the name of a foundation which established them.

Article 19. Certification of Foundations

(1) For the purpose of receiving partial or total immunity from specified taxes, dues and other payments for the benefit of the State as well as privileges provided in conformity with this Law and other legislations, foundations - in order to confirm the socially useful character of their activities - shall have the right to the certification according to the Articles 34-37 of the Law on Civic Associations.
(2) When the certification has been carried out a foundation shall receive the state certificate.
(3) Foundation which has not the state certificate can not enjoy tax and other privileges envisaged for non-profit organizations which carry out socially useful activities.

Chapter III
Rights, Duties and Conditions of Activity of Foundation

Article 20. Rights of Foundation

In conformity with its statutory purposes a foundation shall have the right to:
a. support materially the activities of natural persons and corporate bodies provided by article 4 of this Law;
b. freely disseminate information on its activities;
c. establish its own mass media;
d. carry out the publishing activity for the puprose of popularization of its activity;
e. receive from public authorities an information necessary for the fulfillment of statutory activity;
f. establish subsidiaries and representative offices;
g. make uni- and multilateral bargains with natural persons and corporate bodies for research, technical, economic, financial and manufacturing cooperation, for performing work and providing services to achieve statutory objectives;

h. carry out scientific researches and design work;
i. support free realization of cultural and educational initiatives proposed by natural persons and corporate bodies as well as initiatives in political science, economics, mass media, public administration and other areas of science, art and culture;
j. develop and finance specific educational and training programs in the country and abroad for citizens regardless of their social status and level of proficiency through the scholarship, grants, financial assistance, technologies, etc.;
k. develop cultural, educational and scientific contacts between the Republic of Moldova and other nations on the basis of free exchange of ideas and information in the spirit of democracy and liberty;
l. encourage and support materially a development of mass media and educational activity through organization of symposia, conferences and exhibitions both in the Republic of Moldova and abroad.
m. support non-profit governmental, civic and private institutions, universities and schools of the Republic of Moldova.

Article 21. Right to International Contacts

In accordance with this Law and provisions of its Articles, a foundation may become a member of international non-governmental organizations and associations, establish and promote contacts with them, complete proper agreements and take part in actions which are not contradicting to the international obligations of the Republic of Moldova as a subject of international law.

Article 22. Duties of Foundation

(1) Foundation shall be bound to:
a. comply with the Constitution, this Law, other legislations and Article of a foundation;
b. insert necessary changes in the constituent documents in a case of introduction of ammendments in legislation or finding out contradictions between constituent documents and legislation;
c. annually, submit to the Ministry of Justice the report which must contain data on activities of a foundation, fulfilled programs, sources of funding, total amount of funds used during the fiscal year, users of a foundation, amount of administrative costs. The report also must contain information on names of Board members and employees of a foundation, their relatives of I-III relationship degrees who used its funds and services in the reporting period as well as information on location of a foundation and identification data of its Head;
d. within 15 days, notify the Ministry of Justice on location of a foundation if it has been changed.
(2) Failure to submit the information provided by point c) of part (1) of this Article within two years shall result in deletion a foundation from the State Register of Non-Profit organization on the grounds of court decision by the request of the Ministry of Justice.

Article 23. Conditions of Activities of Foundation

(1) Foundation shall have the right to carry out economic activity directly connected with the achievement of its statutory purposes.

(2) Any other economic activity of a foundation shall be carried out through its own enterprises which have a status of corporate body. The enterprises established by a foundation shall carry out their activities in conformity with the Law on Entrepreneurship and Enterprises, this Law and Articles of a Foundation.
(3) Records of administrative expenditures of a foundation must be kept separately from other expenditures. The administrative expenditures of a foundation of socially useful purpose must not exceed 20 % of its total payments. Administrative expenditures of a foundation shall include, in particular, assets related expenses, current expenses, expenditures on personnel, rewards for the Board members, trustees and auditor. Wages of employees of socially useful foundation must not exceed well those ones of governmental sector employees of the same qualification.
(4) The enterprises established by a foundation shall transfer payments to the budget in accordance with the procedure determined by legislation.
(5) The enterprises set up by a foundation shall register in accordance with the established procedure. Foundation and enterprises set up by it must obtain licenses for activities to be licensed.

Chapter IV

Article 24. Foundation Board (Board of Directors)
(1) Higher managerial body of a foundation shall represent the Board.
(2) The procedure of assignment and recalling of the members of the Board, their authorities as well as the procedure of the activities of the Board shall be provided by the Articles of a foundation.
(3) First membership of the Board of a foundation shall be assigned by the founder or the executor if the members are not listed by name in the will.

Article 25. Members of Foundation Board
(1) The members of the Foundation Board may be capable persons.
(2) The founders of the Foundation who are physical persons, as well as the directors of the founders who are juridical persons, must not be members of the Board or other bodies of the Foundation.
(3) No less than a half of members of the Foundation Board must be citizens of the Republic of Moldova.
(4) Members of the Government and public servants whose functions include the conduct of the State policy in areas which are of top priority for the Foundation according to its statute must not be members of the Board and other bodies of the Foundation.
(5) Members of the Foundation Board must not be members of other bodies of the Foundation.
(6) The Head of the Foundation shall be appointed in accordance with the procedure envisaged by the Statute of the Foundation.

Article 26. Decisions of the Foundation Board
(1) Decisions of the Foundation Board shall be adopted in accordance with the procedure envisaged by the Statute of the Foundation.

(2) In the event that the Foundation Board discusses a matter related to property or other interests of a Board member or his/her first through third relations at its meeting, this Board member shall not participate in the voting, and the corresponding record shall be entered in the minutes of the meeting. The records of all the cases of adoption decisions in favour of staff-members of the foundation shall also be entered in the minutes.

Article 27. Functions of the Foundation Board

(1) The Foundation Board shall:

a. elaborate the strategy of Foundation development;

b. approve the budget and its changes, financial reports, and annual reports on Foundation activities;

c. manage property (assets) of the Foundation and the procedure of merger with other foundations unless such merger is prohibited by the Foundation statute;

d. elect new members of the Foundation Board and adopt decisions on the recall of Foundation Board members;

e. establish other bodies of the Foundation;

f. direct activities on the enlargement of Foundation property;

g. adopt decisions on all the matters of Foundation activities;

h. assure observance of the ethic norms of the non-commercial sector by the Foundation.

(2) The Foundation Board shall have the access to all the documents of the Foundation and be entitled to control the accounting and property record-keeping as well as legality of operation execution by the Foundation.

Article 28. Remuneration of Foundation Board Members' Labour

As a rule, Foundation Board members exercise their responsibilities without remuneration, it is only expenses connected with exercising their responsibilities that shall be compensated for.

Article 29. Other Bodies of the Foundation

(1) The Foundation may have a trustee council which controls foundation activities. Public foundations whose property value or assets exceed 1 million leus must have a trustee council. The trustee council shall exercise oversight of the compliance of Foundation activities with the legislation, the Foundation Statute, and ethic norms, as well as oversight of the accounting record-keeping; it shall exercise audit of annual financial reports and annual reports on Foundation activities; it shall point out the defects and suggest the Foundation Board the ways of their elimination; no less than once a year, it shall submit an account of its activities to the Foundation Board. The trustee council shall be entitled to examine documents of the Foundation and call special meetings of its Board. Members of the trustee council shall be entitled to participate in Foundation Board meetings.

(2) The Foundation may also have other bodies exercising executive functions.

(3) The bodies envisaged by points (1) and (2) shall be established by the founders or the Foundation Board. The order of establishment and functions of these bodies are specially envisaged by the Foundation Statute.

Chapter V
Accounting, Supervision, and Openness of the Foundation Activities

Article 30. Accounting and Financial Reports

The Foundation shall be obligated to assure accounting management in compliance with the Law on the Accounting as well as with the national accounting standards and submit financial accounts in accordance with the legislation.

Article 31. Supervisory Body

(1) Supervisory Body shall be appointed by the Foundation Board. A revisory commission or auditor may act as a supervisory body.
(2) Supervisory Body members must be neither members of any other Foundation body, nor users of the Foundation.

Article 32. Supervision of Foundation Activities.

(1) Supervision of Foundation activities in terms of their compliance with statutory objectives shall be exercised by the Ministry of Justice. Officials of the Ministry of Justice shall be entitled to obtain information about all the aspects of Foundation activities, to look through Foundation documents, and to participate in all its events.
(2) Supervision of the financial activity of the Foundation shall be exercised by State financial and tax offices according to the procedure envisaged by the legislation.
(3) In the event that the founder or the person in whose interests the Foundation exercises its activities considers that some actions of the Foundation Board contradict the Foundation Statute, he/she shall be entitled to appeal to the Ministry of Justice with the request to eliminate these drawbacks.

Article 33. Openness of Foundation Activities.

(1) Upon the consummation of each accounting year, but no later than in six-month period since its expiration day, the Foundation shall publish the report on its activities, which must include: the total amount of finances and materials used for the achievement of statutory objectives during the accounting year, programs implemented by the Foundation, the number and categories of Foundation users, the amount of finances used for the compensation of administrative expenses.
(2) Any person shall have access to the reports on Foundation activities.

Chapter VI
Cessation of Foundation Activities

Article 34. Cessation of Foundation Activities

(1) Activities of the Foundation shall be ceased in case of its voluntary or obliged liquidation.
(2) The order of cessation of foundation activities in case of its voluntary liquidation shall be established by the founder and envisaged by the Foundation Statute.
(3) Obliged liquidation shall be exercised on the basis of economic court judicial decision.

[Art.34. (3) amended by L240/13.06.03, MO138/08.07.03 art.557]

Article 35. Obliged Liquidation of the Foundation

The Foundation may be liquidated on the demand of the Ministry of Justice on the basis of competent economic court decision:

[Art.35. amended by L240/13.06.03, MO138/08.07.03 art.557]

a. if the annual value of its property is less than the value of its initial property;

b. if it deviates from the statutory objectives in its activities;

c. if its aims or applied means become illegal or contradict the public order or moral norms, or if its actions cause damage to the principles of a lawful State, or the sovereignty, independence, or territorial integrity of the Republic of Moldova;

d. in the case envisaged by Article 22, point (2) of this law.

Article 36. Order of Liquidation of the Foundation

(1) The body that adopted the decision on the liquidation of the Foundation shall form the Commission on Liquidation and determine the order and terms of liquidation in accordance with the Civil Code and this law.

(2) The Commission on Liquidation shall publish information on the liquidation of the Foundation, which should include:

a. the names of members of the Commission on Liquidation and location of the Foundation;

b. the order and terms of liquidation of the Foundation;

c. the deadline for the creditors' claims; the term must be no less than two months since the day of publishing information on the liquidation of the Foundation;

d. invitation for the creditors to submit the evidences of their claims. The creditors who are known shall be invited individually.

(3) The Commission on Liquidation shall take measures in order to find debtors, to exact credits, informing the debtors about the liquidation of the Foundation in writing.

(4) After the term for submission of creditors' claims expires, the Commission on Liquidation shall compose a midterm liquidation balance, which should include information on the Foundation's property at the time of liquidation, list of all creditors' claims, as well as the results of their consideration.

(5) If the funds of the Foundation at the time of liquidation are not enough for the repayment of all debts to creditors, the Commission on Liquidation shall sell the property of the Foundation.

(6) Upon the repayment of debts to all the creditors, the Commission on Liquidation shall compose liquidation balance which shall be approved by the body authorized for this action according to the Foundation Statute.

(7) The property remained after the liquidation of the Foundation and repayment of debts shall be used in compliance with the Foundation Statute; in the event that the Statute does not include corresponding provisions, the property shall be used for the implementation of statutory objectives of the Foundation. The said property shall be used by means of its transfer to a similar in terms of statutory objectives foundation in accordance with the decision on liquidation. The decision concerning the use of the remained property shall be announced.

(8) The members of the Commission on Liquidation shall bear solitary responsibility for the damage caused by them.

Chapter VII
Concluding and Transitional Provisions

Article 37

(1) The foundations that were registered before the enactment of this law shall be re-registered during one year. In this case they shall preserve the right to have their titles, symbols, bank accounts and other requisites; the date of the factual establishment of the foundation shall be inserted in the Certificate of Registration. The foundations that failed to be re-registered during one year since the day of the enactment of this law shall be considered as self-liquidated and excluded from the corresponding register on the basis of the decision of the Ministry of Justice.
(2) Noncommercial organizations that are not foundations, though having the word "foundation" in their titles, must exclude this word from their titles during one year. In case that they do not execute the provisions of this point, the title shall be changed in the due course of law on the demand of the Ministry of Justice.
(3) The Certification Commission established in compliance with Article 35 of the Law on Civic Associations shall be authorized to exercise certification of foundations.
(4) The Government should:
in six-month term create the State register of non-commercial organizations, whose holder shall be the Ministry of Justice. The existing register of civic associations should be included in the aforementioned register as its component;
in one-year term bring its legal statutory acts in conformity to this law.

The President of the Parliament
Dumitru Diacov
Chisinau, July 30, 1999.
No 581-XIV.

- **Law No 113-XVI on Accounting as of 27.04.2007**

Chapter I
GENERAL PROVISIONS

Chapter II
REGULATION OF ACCOUNTING

Chapter III
ORGANIZATION OF ACCOUNTING

Chapter IV
ACCOUNTING IN STATE TREASURY AND PUBLIC INSTITUTIONS

Chapter I
GENERAL PROVISIONS

Article 1. The objective of the law

The objective of this law is to establish a legal framework, uniform requirements and regulatory mechanism for accounting and financial reporting in the Republic of Moldova.

Article 2. The scope of the law

This law applies to all legal entities and individuals engaged in business activities, not-for-profit entities, including public entities, notaries and lawyers and bureaus formed by them, as well as representative offices and branches of non-resident companies (organizations) registered in Republic of Moldova (hereinafter - *entities*), regardless of their area of activity, type of ownership, organizational and legal form.

Article 3. Definition of main terms

1) In the context of this Law the following terms shall have the following meanings:

internal audit – independent evaluation of all aspects of the entity's activity, performed within this entity and oriented towards assuring the management of the entity that accounting and internal control systems are adequate and efficient;

general ledger – summarizing register of synthetic accounts filled out for the purpose of verifying the accurateness of accounting account records and financial statements;

accounting – a complex system of collection, identification, grouping, processing, recording and summarizing of accounting items and financial reporting;

accrual accounting – accounting basis providing that accounting elements are recorded as they occur, regardless of the date of receiving/paying cash or making any other form of compensation;

cash accounting – accounting basis providing that accounting elements are recorded when cash is actually received/disbursed or any other form of compensation is made;

management accounting – a system of collecting, processing, preparing and transmitting accounting information for cost planning and calculation, verification and analysis of budget execution for the purpose of preparing internal statements aimed at making managerial decisions;

financial accounting – a system of collecting, grouping, processing and systematizing information on the existence and movement of assets, equity, liabilities, revenues and expenditures in value terms for the preparation of financial statements;

source document – a documentary proof (printed or electronic) which justifies or entitles performing a business operation or confirms an event;

accounting element (item) – assets, equity, liabilities, costs, expenses, revenues, financial results and economic facts of an entity;

public interest entity – an entity with a significant importance to the public due to its area (type) of activity, size or number of employees, clients such as financial institutions, investment funds, insurance companies, non-state pension funds, commercial

companies listed on the stock exchange in the Republic of Moldova, as well as and other legal entities which have dominant position on the market exceeding two of the following three criteria for the last two consecutive reporting periods:

- Total revenue – 120 million lei,
- Total balance sheet – 60 million lei,
- Average number of workers on the staff – 500 people.

limited liability entity – an entity the capital of which is divided between participants in social shares, joint stock, according to its charter and the liabilities of which are guaranteed by the entity's net assets;

unlimited liability entity – an entity the members of which perform business activities on behalf of the entity according to constitution document, and are liable for the entity's liabilities with all their patrimony, except goods which according to the law cannot be pursued;

valuation – a procedure of determining the monetary value of accounting elements as of the date of their initial recognition and preparation of financial statements;

economic fact – a transaction, operation, event, which have modified or may modify assets, receivables and liabilities, costs, expenditures, revenues, financial results of the entity;

inventory count – a procedure of control and documentary confirmation of the existence of accounting elements which belong and/or are temporarily managed by the entity;

double entry – recording an economic fact in the debit of one account and credit of another account with the same amount;

chart of accounts – a normative act that defines the systematized list of accounts, as well as methodological norms for their application;

accounting policy – a system of fundamental conventions, qualitative characteristics, rules, methods and procedures, approved by the entity's management for purposes of accounting keeping and financial reporting;

materiality threshold – qualitative and quantitative characteristic of accounting information, the omission or distortion of which influences the business decisions made by users based on the information presented;

annual report – annual financial statements, management report and audit report, in case when audit is compulsory;

financial statement – a systematized set of indicators characterizing the patrimonial and financial situation, the existence and flows of entity's capital and cash during a reporting period;

accounting ledgers – registers used for grouping, systematizing, registering and summarizing information concerning the existence and changes in the accounting elements reflected in source and summary documents;

full double entry accounting system – an accounting system that provides for the disclosure of economic facts using double entry recording and chart of accounts, accounting ledgers and financial statements;

simplified double entry accounting system – an accounting system that provides for the disclosure of economic facts using double entry recoding and simplified versions of the chart of accounts, accounting ledgers and financial statements;

simple entry accounting system - an accounting system that provides for unilateral disclosure of economic facts using single entry recording of the "inflows-outflows" method;

internal control system – a set of policies and procedures adopted by the management of the entity in order to ensure organized and efficient economic activities, including strict compliance integrity of assets, prevention and identification of fraud and error, accurateness and comprehensiveness of accounting records, as well as timely preparation of reliable financial information;

accounting standards – include International Financial Reporting Standards (IFRS), National Accounting Standards (NAS), and National Public Sector Accounting Standards (NPSAS);

International Financial Reporting Standards – standards and interpretations issued by International Accounting Standards Board, which come into effect in Republic of Moldova after being approved by the Government of Republic of Moldova;

National Accounting Standards – standards and interpretations based on EU Directives and IFRS, which are developed and approved by the Ministry of Finance of Republic of Moldova, and establish the general mandatory rules applicable to the accounting and financial reporting;

National Public Sector Accounting Standards – standards and interpretations, developed and approved by the Ministry of Finance of Republic of Moldova, based on International Public Sector Accounting Standards (IPSAS), issued by the International Federation of Accountants, and establish the general mandatory rules applicable to the accounting and financial reporting in the public sector;

(2) Definitions used in this law and not included in par. (1) are defined by the accounting standards and other normative acts approved according to art. 11 par. (2) letter a).

Article 4. Application of accounting standards

(1) Public Interest Entities shall keep accounting and prepare financial statements in accordance with IFRS.

(2) Entities organizing their accounting based on full double-entry system, other than public institutions and entities specified in par. (1) shall keep accounting and prepare financial statements in accordance with IFRS or NAS, following their accounting policy.

(3) Entities organizing their accounting based on simplified double-entry system shall keep accounts and prepare financial statements in accordance with NAS.

(4) Entities organizing their accounting based on simple entry system shall keep accounting in accordance with the norms approved by the Ministry of Finance.

(5) If the provisions of NAS and other normative documents developed and adopted in compliance with art. 11 par. (2) letter a) do not stipulate some regulations provided by IFRS, the entity is encouraged to apply IFRS provisions before they are accepted by the Government of Republic of Moldova.

(6) Public institutions apply the double entry accounting system, keep their accounting and prepare financial statements based on IPSAS and the norms approved by the Ministry of Finance.

Article 5. Using accounting data for fiscal purposes

(1) Accounting information adjusted in compliance with the provisions of the Fiscal Code serve as basis for preparing fiscal returns.

(2) The basis for determining the taxable revenue of entities is the accounting result (profit/loss) reflected in the income statements, which are prepared and submitted in compliance with the provisions of this law and accounting standards.

(3) The basis for determining the taxable revenue of entities using the simple entry system is the financial result calculated in compliance with the norms approved by the Ministry of Finance.

Article 6. Basic principles and qualitative characteristics

(1) Entities shall keep accounting according to the following basic principles:

a) going concern;
b) accrual accounting;
c) consistency of methods;
d) separation of patrimony and liabilities;
e) non-netting;
f) consequence of presentation.

(2) The information of financial statements should comply with the following qualitative characteristics:

a) clarity/intelligibility;
b) relevance;
c) reliability;
d) comparability.

(3) Basic principles, qualitative characteristics specified in this article are applied in accordance with accounting standards.

(4) Some deviations from the basic accounting principles and/or qualitative characteristics provided by this article may be allowed in exceptional cases. Any such deviations shall be disclosed in the explanatory notes, as well as the reasons which determined such deviations, together with an evaluation of their impact on the entity's assets, liabilities, financial position and profit or loss.

Article 7. Obligation to keep accounting records

(1) Accounting standards are the platforms for accounting and financial reporting by entities and are integral part of the legal framework of the Republic of Moldova. These platforms are mandatory for the respective entities and may be selected according to article 4.

(2) Entities are obliged to keep accounting records and prepare financial statements as required by this Law, by accounting standards, chart of accounts and other normative acts approved in compliance with art. 11 par. (2) letter a.

Article 8. Language and currency of accounting records

Accounting shall be kept in the state language and national currency.

(1) Accounting of economic facts occurred in foreign currencies shall be kept both in national currency and foreign currency according to accounting standards.

Chapter II
REGULATION OF ACCOUNTING

Article 9. General rules for regulation of accounting

The regulation of accounting includes:

(a) ensuring the normative basis and establishing unified mandatory rules for accounting and financial reporting for entities, irrespective of their type of activity;

(b) ensuring the correspondence of NAS and IPSAS to the level of economic development of the country and to the requirements of users of information of financial statements;

(c) ensuring the conditions necessary for uniform application of accounting standards, including IFRS;

(d) establishing norms for accounting and financial reporting of small business entities;

(e) establishing the requirements for compliance with norms of accounting and financial reporting;

(f) establishing requirements for entities that:

- perform continuous professional training of accountants;
- provide accounting and financial reporting services.

Article 10. Accounting regulation authorities

Accounting regulation authorities include:

a) public authorities – the Government of the Republic of Moldova, the Ministry of Finance, National Bank of Moldova, the National Securities Commission, specialized central public administration bodies, local public administration authorities, Financial Statements Information Service under the National Bureau for Statistics (hereinafter called *Financial Statements Information Service*);

b) professional associations having the objective of improving and developing accounting as stipulated in art. 12 of this Law.

Article11. Competencies of public authorities in regulation of accounting

(1) The Government:

a) ensures the application of a single policy in the area of accounting and financial reporting;

b) is responsible for the timely update of IFRS and their publication in compliance with the law. The standards and interpretations that come into effect within the terms stipulated by this law are to be published in the Official Bulletin of Republic of Moldova and posted on the official web page of the Government within 3 years from this law coming into effect. This responsibility is also extended on new or updated standards that are prepared after this law coming into effect;

c) is responsible for bringing the provisions of NAS in compliance with the provisions of IFRS in effect within 3 years after the coming into effect of this law;

d) may delegate responsibilities in letters b) and c) of this article to a ministry or independent accounting standards board the bylaws and composition of which it approves.

(2) The Ministry of Finance shall:

a) develop, review, approve and publish:

- National Accounting Standards;

- National Public Sector Accounting Standards;
- comments on application of accounting standards indicated at lines 1 and 2 of this letter;
- professional behavior code for accountants;
- regulations, instructions, methodological guidelines, rules and comments;
- the general chart of accounts;
- samples of source documents, accounting ledgers, financial statements and methodological norms on their preparation and utilization.

b) represent the interests of the Republic of Moldova in international organizations on issues related to accounting and financial reporting;

c) create working groups for the development of normative acts stipulated in letter a) of this paragraph;

d) provide methodological aid to entities in difficult issues of accounting and financial reporting.

(3) The Financial Statements Information Service shall:

a) collect, verify and summarize the data from financial statements;

b) ensure the presentation of information from financial statements to all categories of users, including the general public;

c) supervise the compliance by entities with accounting normative acts related to the format of financial statements and annual reports, terms and method of preparing and submitting them;

d) offer advice and organize seminars for entities in the area of applying legal acts and other normative acts on preparing and submitting financial statements;

e) publish financial statements in the special edition of the special official edition or on its official website.

(4) Specific reports for certain purposes, including prudential supervision, might be requested by the National Bank of Moldova, the National Securities Commission, specialized central public administration bodies, local public administration authorities as well as other bodies authorized by the law in addition to the requirements of accounting standards. The format and the way of preparing and submitting these reports is approved by the Ministry of Finance, and reports for financial institutions are developed and approved by the National Bank of Moldova together with the Ministry of Finance.

(5) Authorities mentioned in par. (4) may request additional disclosures and submittal of annual report which do not limit options provided by accounting standards or modify their interpretations.

(6) Specialized central bodies of public administration and local public administration authorities, with approval of the Ministry of Finance, may develop, in compliance with accounting standards and other normative acts, accounting norms specific to certain industries, areas and sectors or activity, except norms of accounting related to financial reporting.

(7) The funding for working groups for the development and update of normative acts stipulated in par (2) letter a) is specifically allocated in the statement of expenditures of the Ministry of Finance.

Article 12. Competencies of professional associations in protecting the rights and continuous professional development of their members

(1) In order to protect their rights and interests, accountants may associate on voluntary principles, according to the legislation on non-commercial organizations, into professional associations, and register such associations as required.

(2) Associations of accountants may have regional branches.

(3) Associations of accountants have the right to:

a) represent professional interests of their members;

b) collaborate with other associations and specialized non-governmental organizations from Moldova and from abroad;

c) develop and propose for approval to competent authorities draft normative acts in the area of accounting, programs of continuous professional training of accountants;

d) develop and implement own professional rules according to requirements of national legislation and the International Federation of Accountants.

(4) Associations of accountants are required to:

a) coordinate the activity of their members;

b) ensure the internal supervision of the performing by members of their accounting activities and observance of Code of professional behavior of auditors and accountants;

c) monitor the continuous professional training of their members;

d) mediate, with the agreement of all parties, disputes between their members;

e) fulfill other obligations provided by their Statutes.

Article 13. Entities' responsibility and rights relating to accounting and financial reporting

(1) Responsibility for keeping accounting records and financial reporting belongs to:

a) the management (executive board) in limited liability entities;

b) partners – in entities the owners of which have unlimited liability;

c) owner – in sole proprietorships;

d) to the manager – in entities not listed in pp. a) - c)

(2) The persons listed in par. (1) shall:

a) organize and manage accounting continuously from the date of registration until the liquidation of the entity;

b) ensure the development of and compliance with the accounting policy on the basis of requirements of this law, the IFRS and the NAS;

c) ensure development and approval of:

- the entity's chart of accounts;
- internal procedures for management accounting;
- forms of source documents and accounting ledgers, when ready-to-use forms do not exist or if existing ones don't meet the needs of the entity;
- rules of internal documents circulation and the technology of processing accounting information.

d) ensure timely, complete and correct preparation and presentation of source documents, accounting ledgers according to the rules issued by the Ministry of Finance, as well as the integrity and storage of these according to the requirements of the State Body for the Supervisions and Management of Archives of Republic of Moldova;

e) organize internal control system, including the performance of inventory counts;

f) ensure recording of all economic facts of the entity and their posting in accounting;

g) comply with the provisions of normative acts stipulated in art. 11 par (2) letter (a);

h) ensure the preparation and presentation of financial statements as required by this law and accounting standards.

(3) The persons listed in par. (1) have the right to:

a) appoint and dismiss the chief accountant on the basis of individual labor contract and in compliance with Labor Code;
b) organize an accounting divisions (services) as internal subdivisions managed by the chief accountant (authorized person) directly subordinated to the manager of the entity;
c) outsource accounting to a specialized organization or audit firm on contract basis;
d) choose the accounting system and form;
e) set internal rules for documentation of economic facts and establish the inventory count dates.

(4) The chief accountant of public institutions is appointed and dismissed by the manager of the institution with the agreement of the hierarchically superior body, and in specialized central public administration bodies, local public administration authorities and autonomous public institutions – with the agreement of the Ministry of Finance.

(5) The chief accountant of the entity should have higher education or specialized secondary education.

(6) In entity applying the single entry, accounting can be maintained by entity's manager.

Article 14. Consultative Council

(1) The Consultative Council shall be established under the Ministry of Finance in order to examine problem issues in the area of accounting and financial reporting.

(2) The Consultative Council consists of representatives of main economic sectors, public institutions and the academia, from whom at least 50% hold professional and scientific titles.

(3) The Regulations of Consultative Council and its nominal composition shall be approved by the Government of Moldova at the proposal of the Ministry of Finance.

(4) The funding of the Consultative Council is specifically allocated in the expenditures budget of the Ministry of Finance

Article 15. Accounting systems and submittal of financial statements

(1) Limited and unlimited liability entities shall organize their accounting based on the following accounting systems:

(a) simple entry accounting system, no submittal of financial statements – entities other than those mentioned in par. 2 that do not exceed two of the following three criteria for the previous reporting period:

- total sales – maximum 3 million lei;
- balance sheet value of long term assets – maximum 1 million lei;
- annual average number of employees on the staff – maximum 9 people; or

(b) simplified double entry accounting system, submittal of simplified financial statements - entities other than those mentioned in par. 2 that do not exceed two of the following three criteria for the previous reporting period:

- total sales – maximum 15 million lei;
- total balance sheet – maximum 6 million lei;
- annual average number of employees on the staff – maximum 49 people; or

(c) full double entry accounting system, with submittal of complete financial statements – entities mentioned in par. (2) and other entities not provided in a) and b) of paragraph above.

(2) Regardless of criteria specified in par. (1), the full double entry system with submittal of complete financial statements is mandatory for:

a) public institutions;
b) public interest entities;
c) entities where the social capital of the owner - legal person (associate, participant, shareholder) which is not subject of the small and medium enterprise sector, exceeds 35%, except non-commercial organizations;
d) trust companies;
e) entities importing excisable goods;
f) microfinance institutions, savings and credit associations, other financial institutions;
g) foreign exchange points and pawnshops;
h) companies from gambling sector.

(3) Newly created entities shall apply one of the accounting systems in accordance with the data of its business plan and approved accounting policy.

(4) Entities which have the right to use simple entry accounting system may choose to apply simplified or full double entry system, and entities which have the right to use simplified double entry system may choose to use full double entry system.

(5) If entities, which use the simple entry or simplified double entry systems for the accounting organization, will exceed, during 2 subsequent years, the limits stipulated in (1) of this article, they will be obliged to change their accounting system.

Article 16. Accounting policy

(1) Entities, except public institutions, shall develop their accounting policy independently, based on this Law and accounting standards.

(2) The accounting policy of public institutions is developed by specialized central public administration bodies and local public administration authorities and is approved by the Ministry of Finance.

(3) The development of the accounting policy means choosing one of the methods proposed by each accounting standard and grounding the method applied, taking into consideration the specifics of the entity, as well as accepting this method as a platform for accounting and financial reporting.

(4) If the regulatory framework for accounting does not describe the methods which may be applied to a specific transaction, the entity shall develop the method independently or with the assistance of a consulting company. In this case the provisions of the following are applied in the order below:

(a) general framework for preparing and submitting financial statements;

(b) provisions of IFRS and NAS referring to similar issues;

(c) other normative acts stipulated in art. 11 par. (2) letter a) referring to this or similar issues.

Chapter III
ORGANIZATION OF ACCOUNTING

Article 17. General rules for accounting of patrimonial elements

(1) Possession by the entity with any title of assets, recording of their sources of origin and of economic facts, without their due documentation and posting in accounting, is prohibited.

(2) Limited liability entities shall record accounting elements on the basis of accrual accounting and unlimited liability entities- on the basis of cash accounting or accrual accounting.

(3) Public institutions shall record accounting elements basing on cash accounting and/or accrual accounting.

(4) The accounting of long term assets shall be kept by each recording item separately, in quantity and value expression.

(5) The accounting of inventories shall be kept in quantity and value expression or only in value expression, as required by accounting standards.

(6) Initially, elements of assets shall be accounted for at purchase price.

(7) Short-term payables and receivables shall be recorded at their nominal value and long-term payables and receivables shall be recorded at discounted value, according to requirements of accounting standards. The accounting of receivables and payables shall be kept by categories, clients, suppliers, other debtors and creditors.

(8) The value of shares or other securities, issued and subscribed, shall be reflected on separate accounts.

(9) The accounting of expenses shall be kept by their types, nature and purpose.

(10) The accounting of revenues shall be kept by their types, nature and source.

(11) The accounting of revenues and expenses financed from the general consolidated budget shall be kept according to budgetary chart of accounts and budget classification of the approved budget.

(12) Accounting in public institutions shall ensure recording of cash payments and actual expenses by lines of budget classification, according to the approved budget.

(13) In order to finance expenses within expenditures budgets, public institutions are obliged to organize and manage the accounting of commitments according to methodological norms developed and approved by the Ministry of Finance.

(14) In accounting, profit or loss shall be determined in cumulative amounts from the beginning of the reporting period. Closing of revenue and expense accounts shall be usually performed at the end of the reporting period.

(15) The net profit distribution shall be recorded by directions of distribution, according to the decision of the general assembly of owners (associates, participants, shareholders) on the distribution of annual profit, after the approval of annual financial statements.

(16) Accounting losses reported in accordance with entity's bylaws are covered from the net profit of current and previous reporting periods, additional contributions of owners (associates, participants, shareholders), according to the decision of the general assembly and in state or municipal enterprises – by specialized central public administration bodies, local public administration authorities.

(17) Public institutions shall reflect the result of their budget execution annually by closing the actual expense accounts and source of financing accounts.

(18) Provisions for risks and expenditures cannot be used to adjust the value of asset elements.

Article 18. Accounting cycle

The entity's accounting cycle includes:

a) formulation of source and summary documents;

b) valuation and recognition of accounting elements;
c) posting information on accounts;
d) preparation of accounting ledgers;
e) inventory;
f) preparation of trial balance, the General Ledger and financial statements.

Article 19. Source documents

(1) All economic facts are recorded based on source and summary documents.

(2) Source documents are prepared at the moment of the operations or if this is impossible – immediately after the operation or event.

(3) Entities shall use standard source documents forms approved by the Ministry of Finance. When no standard forms exist or if existing ones don't meet the needs of the entities, the latter develop and use forms of documents approved by the management, observing the requirements set in par. (6) of this article.

(4) An electronic image of the source document has the same legal power as the document provided on paper.

(5) If required by users, entities must prepare on their own account printed copies of source documents which were prepared electronically.

(6) Source documents prepared by entities shall contain the following obligatory elements:

(a) document name and number;
(b) document date;
(c) IDNO (fiscal code), name and address of the entity on behalf of which the document has been formulated;
(d) IDNO (fiscal code), name, address of the beneficiary entity, and for physical persons – the personal code;
(e) content of the economic fact;
(f) quantity and value measuring units in which economic facts are expressed;
(g) position, name, surname and signature, including digital of persons responsible for the performance and recording of economic facts.

(7) The provisions of par. (6) letter d) are not mandatory for preparing source documents for entities not registered as business entities.

(8) Source documents for not-for-profits and for internal use of entities are not obliged to observe letter (d) of par. 6.

(9) Source documents received by an entity in a foreign language, other than English and Russian, will be translated in the state language describing the respective transaction.

(10) Depending on the nature of economic facts and information processing technology, persons stipulated in art. 13 may include additional elements into source documents.

(11) Persons who formulate and/or sign primary documents are liable in compliance with article 44.

(12) Documents on cash and payments, banking operations, financial liabilities, loans and accrued liabilities could be signed personally by the manager of the entity or by two persons authorized to sign: the first is the signature of the entity's manager or of another authorized person, the second is the signature of the chief accountant or of another authorized person. Signatures on these documents are confirmed by the seal of the respective entity, if it is the case. When there is no chief accountant, both signatures on the above mentioned documents are made by the entity's manager or by other authorized persons.

(13) Corrections to source documents for cash, bank, and supply of goods, products and services are not allowed.

(14) The chief-accountant (head of the accounting service) is prohibited to accept for execution documents on economic facts that contravene legal and normative acts and should inform the manager of the entity on the matter. Such documents are accepted for execution only after written additional instructions of the manager of the entity, who will further on be liable for this.

Article 20. Special regime source documents

(1) Standard special regime forms are used in case of:

a) disposal of assets when ownership title is transferred;
b) service provision;
c) transportation of assets within the territorially disintegrated entity;
d) purchase of assets from resident citizens;
e) transferring assets through leasing, rent.

(2) The procedure of printing, issuing, purchasing, storage, record keeping and use of special regime standard forms is established by the Government.

(3) Entities registered performing business activities that have automated printing systems can print those forms independently, with the approval of the Ministry of Finance, according to the requirements set by the Government.

(4) In case of import or export of assets and services source documents can be documents used in international practice or those provided in the contract.

(5) Checks issued by cash teller machines with fiscal memory are recognized as source documents confirming the purchase of assets and provision of services if the requirements of art. 19 par. (6) of this Law are met.

(6) It is prohibited to issue several source documents for the same business operation.

Article 21. Valuation and recognition of accounting elements

The valuation and recognition of accounting elements is performed according to the provisions of IFRS and other normative acts stipulated in art. 11.

Article 22. Chart of accounts

(1) Entities using double entry accounting system are required to keep accounting of assets, equity, debts, costs, expenses and revenues based on accounts.

(2) The list of group of accounts and the methodology of their application are established by the general chart of accounts developed and approved by the Ministry of Finance.

(3) Entities, except public institutions, develop their working chart of accounts based on the general chart of accounts. At the same rime, entities applying IFRS may develop their own chart of accounts that complies with the requirements of IFRS.

(4) The chart of accounts used by the public sector is developed and approved by the Ministry of Finance .

Article 23. Accounting ledgers

(1) Data from source and summary documents is recorded, accumulated and processed in accounting ledgers.

(2) The list and structure of accounting ledgers is established by each entity independently depending on its own information needs, taking into account methodological norms and requirements of par. 4 of this article.

(3) The Ministry of Finance establishes accounting ledgers, which are mandatory for certain types of entities, except entities applying IFRS.

(4) Accounting ledgers shall contain the following obligatory elements:

a) ledger name;

b) name of entity which prepares the ledger;

c) date ledger started and closed and/or period for which it is prepared;

d) date of economic fact, chronological and/or systemic grouping of economic facts;

e) measurement units of economic facts;

f) position, name and surname an signature of persons responsible for preparation.

(5) Accounting ledgers may be printed or electronic. If required by authorized bodies, entities must prepare and issue on their own account printed copies of ledgers which were prepared electronically.

(6) Mandatory ledgers are the General Ledger, trial balance or other summary ledgers serving as basis for preparation of financial statements.

Article 24. Inventory counts of patrimony

(1) Entities are obliged to perform general inventory counts of assets and liabilities elements at least annually during the entire life of the entity, in case of merger or liquidation of the entity, as well as in other cases when required by the Regulation on inventory counts approved by the Ministry of Finance and Ministry of Justice.

(2) The procedures and rules of inventory counts are developed and approved by the Ministry of Finance.

(3) Specific rules of inventory counts in various industries are developed by specialized central bodies of public administration and local public administration

authorities as well as other authorized bodies, and are approved by the Ministry of Finance.

Chapter IV
ACCOUNTING IN STATE TREASURY AND PUBLIC INSTITUTIONS

Article 25. Accounting in the State Treasury

(1) The accounting of State Treasury is performed using cash basis and ensures recording of inflows and outflows of cash on revenue and expense accounts by budgets, spending units and budget classification as well as chart of accounts.

(2) Separate accounts for each spending units are opened within the State Treasury for recording allocations approved and distributed for expenses made from:

a. the state budget;
b. budgets of administrative territorial units;
c. state social insurance budget;
d. mandatory insurance fund for medical assistance.

(3) The accounting of State Treasury ensures information on the process budget execution, approved annually by law for each budget, as well as within the limits of available balances on accounts.

(4) The accounting of State Treasury shall record on separate accounts internal and external government credits received for financing of budget deficits, as well as for other actions provided by the law, and financial placements performed from the general current account of the State Treasury;

(5) The accounting of State Treasury is organized under the Central Treasury and territorial treasuries and includes operations of cash execution of the national public budget.

(6) The organization and accounting in the State Treasury is performed according to norms approved by the Ministry of Finance.

Article 26. Accounting of execution of state social insurance budget and mandatory funds for medical assistance

(1) The accounting of execution of the state social insurance budget and mandatory funds for medical assistance is organised and performed by the National Social Insurance House, the National Company for Medical Assistance and their subordinated units, according to norms issued by the Ministry of Finance, and ensure recording of operations on revenues and expenses made during the execution of the state social insurance budget and mandatory funds for medical assistance, as well as liabilities settled before December 31, accounting of transfers received from the state budget, determining the result of execution of the state social insurance budget and mandatory funds for medical assistance by closing the revenue and expense accounts.

(2) Public institutions financed from the state social insurance budget and mandatory funds for medical assistance, the managers of which are managers of spending units, organize and perform accounting, according to the approved budget.

Article 27. Accounting in public institutions

(1) The main subject of accounting of public institutions is the patrimony of the state and of administrative territorial units, including public domain.

(2) The accounting in physical or monetary units, as the case might be, of the land, forests, useful mineral reserves and other natural resources on and under ground shall be performed by the entities which administer, exploit and use the respective assets.

(3) At the end of financial year, the accounting of state treasury shall perform the closing of budget execution, according to the methodological norms issued by the Ministry of Finance, as follows:

a) closing of state budget execution is performed by territorial units and central unit of the state treasury;

b) closing the execution of local budgets is performed by the spending units of the administrative territorial units including local budgets.

c) closing of state social insurance and mandatory funds for medical assistance budget execution is performed by the units of the National Social Insurance House and the National Company for Medical Assistance.

(4) The Ministry of Finance shall prepare quarterly and annually the consolidated annual report of public institutions and the state treasury, in the layout established by it, which is approved according to the legislation.

(5) Specialized central bodies of public administration and local public administration authorities, their subordinated institutions the managers of which are managers of spending units, organize and perform accounting of revenues, as well as commitments and payments made according to the approved budget

Article 28. Submission of national public budget execution report

The annual report on execution of the public national budget shall be presented by the Ministry of Finance for review and approval to the Government on an annual basis. After the approval of the report, the Government submits it to the Parliament.

Chapter V
FINANCIAL STATEMENTS

Article 29. General Provisions

(1) Public interest entities prepare and submit semiannual and annual financial statements.

(2) Except public institutions and entities mentioned in par. (1), other entities prepare and submit annual financial statements

(3) Semiannual financial statements include:

a) the condensed balance sheet;
b) the condensed income statement;
c) the condensed cash flow statement;
d) the condensed equity movements statement;

e) selected explanatory notes.

(4) Annual financial statements include:

a) the balance sheet;
b) the income statement;
c) the cash flow statement;
d) the equity movements statement;
e) explanatory notes, including annexes to financial statements.

(5) In addition to financial statements, entities present a management report and an auditors' report, if the audit is statutory/required by law.

(6) Financial statements are prepared in accordance with the requirements of this law, accounting standards, and shall present a true and fair view of accounting elements of the entity.

(7) If in exceptional cases, the application of provisions of this law and accounting standards encounter with the requirements of par (6), a derogation from such provisions shall be made in order to present a true and fair view in the sense of par (6). Any derogation, the reasons and its impact on the patrimonial and financial position of the entity shall be disclosed in explanatory notes to the annual financial statements.

(8) Financial statements include indicators of activity of all branches, representation offices and structural subdivisions of the entity, irrespective of their location.

(9) Financial statements shall be prepared using the data of inventory counts in order to confirm the existence and state of assets and liabilities.

(10) Financial statements shall reflect the value of elements in the current and previous reporting periods. If the values of elements in the current and previous reporting periods are not comparable, the data from previous period shall be adjusted. Lack of comparability and any adjustments shall be disclosed in explanatory notes.

Article 30. Explanatory notes

(1) In addition to the specific disclosure required by accounting standards, explanatory notes also include the following data:

a) name and legal address of the entity where the reporting entity or a person acting in his/her own name, but on entity's behalf, holds

at least 20% of the share capital, social capital or subscribed shares, the reserves and profit (loss) of the last reporting period;

b) name, the address of the registered office or legal address and legal for of organization of each unlimited liability entity of which the reporting entity having limited liability is a member;

c) amounts owed with expired prescription date;

d) value of assets pledged to cover balance sheet and off-balance sheet liabilities;

e) the average number of employees on staff during the fiscal year classified by categories, size of salary, contributions to social fund and mandatory medical insurance fund;

f) the amount of remuneration granted in the reporting period to members of administration, management and oversight bodies, and any commitments arising or entered into in relation to retirement pensions for present and former members of these bodies, by category;

g) the amount of advance payments and credits granted to members of bodies specified in letter f) indicating interest rates, main conditions and any amount repaid, as well as commitments entered into on their behalf by way of guarantees of any kind.

(2) If application of provisions of this law and national standards is not sufficient to offer a true and fair value of accounting elements of the entity, the explanatory notes will contain additional information.

Article 31. Management report

(1) The management report is submitted by entities which submit individual and consolidated financial statements and shall include:

a) fair presentation of the development and performance of the entity and group of entities;

b) a description of main risks and uncertainties facing the entity and group of entities;

c) information on the climate and professional opportunities for employees;

d) any important event that occurred since the end of the previous reporting period until submittal of financial statements;

e) development perspectives for the entity and group of entities;

f) research and development activities of the entity and group of entities;

g) information on buying out own social capital and shares;

h) information concerning existing branches.

(2) The management report of public interest entities shall include a chapter on corporate governance, submitted as a separate document in the management report and shall contain information on:

a) the corporate governance code applied by the entity with reference to the source and place of publication;

b) the extent to which the entity complies or does not comply with the corporate governance code referred to in letter a);

c) internal control systems and risk management of the entity and group of entities;

d) authorities and rights of governing bodies and owners (associates, participants, shareholders) of the entity as well as how they can be exercised;

e) composition, operation and structure of governing bodies f the entity.

Article 32. The reporting period

(1) The reporting period for which all entities formulate and present financial reports is the calendar year, beginning on January 1 and ending December 31, with the exception of entities in reorganization and liquidation and entities the parent entities of which use a different reporting period.

(2) For some categories of entities, depending on peculiarities of their activity, the Ministry of Finance may establish a reporting period which may not coincide with the calendar year.

(3) The first reporting period starts on the day of state registration of the entity and ends on December 31 of the same calendar year. If the entity is registered after October 1, the first reporting period is usually the period from the date of registration until December 31 of the calendar year following the year of state registration.

(4) The date of financial statements is the last calendar date of the reporting period, except cases of reorganization and liquidation.

Article 33. Reporting requirements for different types of entities

(1) Financial statements are prepared and submitted by entities using simplified or full double-entry accounting system.

(2) Financial statements presented by entities using full double entry system, except public institutions, include reports listed in art 29 par (3)-(5).

(3) Financial statements presented by entities using simplified double entry system include the balance sheet, income statement and explanatory notes.

(4) Financial statements presented by public institutions include statements as established by the Ministry of Finance

(5) The structure of financial statements and procedure of valuation and recognition of their elements are established by the accounting standards.

Article 34. Reporting requirements in case of reorganization

(1) The last reporting period for entities in reorganization, except cases of reorganization through absorption, is the period from January 1 of the year in which the state registration of newly-created entities took place until the date of their state registration. In case of reorganization through absorption, the last reporting period for the entity which is being absorbed by another entity is the period from January 1 of the year

in which the state register records the termination of activity of such entity until the date of such record.

(2) Entities in reorganization prepare the last financial statements as of the date preceding the date of state registration of the newly-created entity (the date when the state register of enterprises and organizations records the termination of activity of the absorbed entity).

(3) The last financial statement shall include information on economic facts which occurred during the period between the approval of separation balance sheet and the date of state registration of the newly-created entities (the date when the state register of enterprises and organizations records the termination of activity of the absorbed entity).

(4) The first reporting period for the entity newly-created as a result of reorganization is the period from its state registration until December 31

(5) The entity newly-created as a result of reorganization shall prepare its first financial statement as of the date of its state registration.

(6) The first financial statement is prepared based on the separation balance sheet and data on economic facts which took place during the period from the approval of the separation balance sheet and the date of state registration of the newly-created entities as a result of reorganization (the date when the state register of enterprises and organizations records the termination of activity of the absorbed entity).

Article 35. Reporting requirements in case of liquidation

(1) The accounting period for entities under liquidation, except public entities, is the period from January 1 of the year in which the state register of enterprises and organizations has recorded the liquidation of the entity until the date of such record.

(2) The last financial report of the entity in liquidation, except public entities, is prepared by the liquidation commission (liquidator) or by the person appointed by court, if the entity is liquidated due to its insolvency.

(3) Entities in liquidation, except public entities, prepare the last financial statements as of the date preceding the date when the state register of enterprises and organizations records the termination of activity of the liquidated entity.

(4) The last financial statement of the liquidated entity is prepared based on the approved liquidation balance sheet and data on economic facts that took place during the period from the approval of the liquidation balance sheet and the date when the state register of enterprises and organizations records the liquidation of the entity.

(5) The last financial statement of liquidated public institution is prepared by the liquidation committee created basing on the decision of the specialized central body of public administration, local public administration authority. Liquidated public institutions prepare the financial statement as of the date of liquidation (in the annual financial report) and submit it to the specialized central body of public administration, local public administration authority.

(6) The assets and liabilities on the balance sheet of public institutions and state enterprise are transferred to the successor in compliance with the decisions of the specialized central body of public administration, local public administration authority.

Article 36. Signing of financial statements

(1) The financial statements must be duly signed before being presented to users, by the person representing the entity's management, who may be:

a) owner – for sole proprietorships;

b) partners - in a partnership;

c) members of the executive body or, as an alternative, the chairman of the executive board, in the name of the executive board, and the chairman of the oversight body, in the name of the oversight body - for limited liability companies and nonprofit organizations;

d) the directors of a branch – for a foreign company;

e) executive director and board members – for other entities, which are not listed in letters a)-d);

f) manager and chief accountant (head of the accounting service) – for public institutions.

(2) If a person indicated under par (1) above:

a) does not have the possibility to sign, an explanation, signed by the other signers, shall be appended to the financial statements;

b) refuses to sign financial statements, a written and signed objection, giving the reason for the refusal to sign, shall be appended to the financial statements.

Article 37. Consolidated financial statements

(1) Parent-entities, in addition to their own financial statements, prepare and present consolidated annual financial statements as required by the accounting standards.

(2) Consolidated financial statements include the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement on movement of equity, annexes to the consolidated financial statements and explanatory notes.

(3**)** In addition to consolidated financial statements, entities shall present a consolidated management report and auditor report, if the audit is statutory/required by law.

(4**)** Consolidated financial statements are prepared, signed, submitted and published similarly to own financial statements of the parent-entity.

(5) Consolidated financial statements of public institutions are prepared and signed by specialized central bodies of public administration, local public administration authorities and submitted to the Ministry of Finance.

Article 38. Submission of financial statements

(1) Entities shall present financial statements to owners (associates, participants, shareholders) and to the Financial Statements Information Services, except public institutions which submit their financial statements in compliance with par (6) and (7).

(2) Financial statements may be presented to other public authorities, financial institutions and other interested users based on agreements with the entity.

(3) Entities, except pubic institutions and public interest entities, using full or simplified double entry accounting system, are obliged to present:

a) own and consolidated annual financial statements within 90 days following the reporting year;

b) annual financial statements of the parent entity and consolidated financial statements representing an integral report at the same date;

(4) Public interest entities are obliged to submit:

a) own and consolidated semiannual financial statements for the first semester within 30 days following the reporting semester;

b) own and consolidated annual financial statements within 120 days following the reporting year;

c) own financial statements of the parent entity and consolidated financial statements, representing an integral report at the same date.

(5) The specific term of submitting financial statements is established by the Financial Statements Information Service for each entity.

(6) Public entities and other legal entities, the managers of which are managers of budget spending units, present one copy of the quarterly and annual financial statement to the specialized central bodies of public administration, the local public administration authorities within the terms established by this.

(7) Specialized central public administration bodies, local public administration authorities and autonomous public institutions the managers of which are managers of spending units, present to the Ministry of Finance one copy of quarterly and annual financial statements according to the norms and terms established by this.

(8) Financial statements may be submitted printed or electronically (on magnetic support or by Internet).

(9) The date of submission of financial statements is the date of their sending by e-mail or the date of actual submission to Financial Statements Information Services and to other authorized bodies in compliance with art. 11.

Article 39. Responsibility for preparing and submitting financial statements and annual reports

Persons indicated in art. 36 are responsible for the preparation and submittal of financial statements and annual reports to the Financial Statements Information Services in compliance with art. 44.

Article 40. Auditing of financial statements

(1) Financial statements of entities subject to statutory audit (required by law) will be posted in the official website of the entity and the body to which financial statements are submitted and made available to the general public.

(2) The audit of financial statements is carried out in compliance with the Audit Law.

Article 41. Internal control system and internal audit

(1) Entities are required to establish an internal control system. Persons indicated in art. 13 par (1) are responsible for organization and application of internal control.

(2) The statutory internal audit of public institutions is performed by independent internal auditors or external auditors.

(3) Entities which are not required to have internal auditors may organize such a function or may hire independent auditors for this purpose.

Article 42. Correction of accounting errors

(1) Unstipulated corrections of source documents and accounting ledgers are not allowed.

(2) Corrections of errors related to accounting transactions shall be confirmed by an accounting note, observing the requirements of art. 19 par (6).

(3) In case of correction of accounting errors which generate reported financial losses, these should be covered before any profit distributions. Explanatory notes to financial statements shall present additional information on the errors identified.

(4) The date of correction of accounting entries is the date of the accounting note.

(5) The date of committing the accounting error is the date of drawing up the source document to which the accounting note refers to.

(6) Errors identified after the approval and submittal of financial statements shall be corrected according to the accounting standards.

Article 43. Storage of source documents, accounting ledgers and financial statements.

(1) Entities are required to retain printed or electronic accounting documents, including: source documents, accounting ledgers, financial statements and other organizational and accounting documents (hereinafter – *accounting documents*).

(2) Accounting documents must be systematized and stored according to the rules and terms of the State Service for supervision and administration of the archives of the Republic of Moldova.

(3) The manager of the entity is responsible for organizing the storage and ensuring the integrity of accounting documents. If the entity manager or the person responsible for storing the information is dismissed, these documents are transferred to the newly appointed person. The transmission is made by minutes of transmission-acceptance in the presence of a commission, indicating the specific categories of

documents, their storage terms, and the list of missing documents in separate sections.

(4) Entities are required to protect from corrections stored documents.

(5) Accounting documents may be taken (seized) by the authorities empowered by legislation. The manager or a person authorized by him is required to make copies of the documents being taken (seized) in the presence of the authorities performing the seizure, indicating the grounds and the date of seizure. Such copies shall be certified by signatures of persons taking (seizing) the documents. Minutes of transmission of such documents shall be prepared and signed by representatives of the authority performing the seizure and the manager of the respective entity or a person authorized by him.

(6) In case of loss, theft, or destruction of accounting documents, the manager of the entity is required to recover them within maximum 3 months starting with the date of identification of such fact.

Article 44. Responsibility for non-compliance with present law

(1) Persons responsible for infringing this law, who are evading from accounting keeping, incorrectly apply accounting standards as well as those intentionally falsifying source documents, accounting ledgers, financial statements and annual reports are subject to disciplinary, material, administrative and penal liability, as the case might be, in accordance with legislation.

Article 45. Access to accounting information

(1) Documents indicated in par (1) of article 43 are property of the entity.

(2) The entity shall present its accounting documents at the request of authorized bodies.

CHAPTER VI.
FINAL AND TRANSITORY PROVISIONS

Article 46. Responsibilities of the Government

The Government, within 6 months:

(a) will present to the Parliament proposals on amending current legislation to comply to this Law;

(b) will amend its normative acts to comply with this Law;

(c) will initiate negotiations with the International Accounting Standards Board on accepting and implementing IFRS in Republic of Moldova;

(d) will develop and approve the Regulations of the Consultative Council under the Ministry of Finance and its nominal composition;

(e) will amend and modify the Regulations of the National Bureau of Statistics.

Article 47. Responsibilities of central public administration specialized bodies

(1) The entities applying IFRS for the first time shall use IFRS 1 "First-Time Adoption of International Financial Reporting Standards" as a guideline.

(2) The public interest entities are obligated to apply IFRS to prepare its financial statements starting with January 1, 2009.

(3) Within 3 years of this law coming into effect, the Ministry of Finance will develop and approve:

a) NPSAS in compliance with IPSAS;
b) NAS in compliance with IFRS;
c) Other normative acts stipulated in art. 11 par (2) letter a).

Article 48. Date of enacting. Abrogation.

(1) This Law shall be enacted starting with January 1, 2008.

(2) Upon enacting of this Law, the following is abrogated:

Accounting Law nr. 426 – XIII of April 4, 1995 (Official Bulletin of Republic of Moldova, 1995, nr. 28, art. 321; republished in the Official Bulletin of Republic of Moldova, 2003, nr. 87-90, art. 398);

art. VI of Law of the Republic of Moldova nr. 757-XV of December 21, 2001 on the amendment of some laws (Official Bulletin of Republic of Moldova, 2002, nr. 17-19, art. 58);

art. I of Law of the Republic of Moldova nr. 1276-XV of July 25, 2002 on the amendment of some laws (Official Bulletin of Republic of Moldova, 2002, nr. 117-119, art. 958).

CHAIRMAN OF THE PARLIAMENT Marian LUPU

Chisinau, April 21, 2007
Nr. 113-XVI

REGULATIONS

- **Regulation on bank's activity regarding prevention and combat of money laundering and terrorist financing (Attachment to the Decision of the Council of Administration of the National Bank of Moldova no. 172 of 04.08.2011)**

Chapter I
GENERAL PROVISIONS

1. The Regulation on bank's activity regarding prevention and combat of money laundering and terrorist financing (hereinafter - Regulation) is issued for the enforcement of the Law on prevention and combat of money laundering and terrorist financing and international recommendations in this field and establishes the requirements for the development, organization, implementation and monitoring of compliance by banks of their own programs on prevention and combat of money laundering and terrorist financing, as well as other requirements in order to minimize the risks related to money laundering and terrorist financing.

2. The bank applies this Regulation when establish business relations with its customers and when carrying out banking transactions and operations.

3. The terms and expressions used in this Regulation have the meanings provided in the Law on Financial Institutions, Law on National Bank of Moldova, Law on prevention and combat of money laundering and terrorist financing, normative acts of the National Bank of Moldova and the Service of Prevention and Combat of Money Laundering issued for their execution. In addition, for the purposes of this Regulation the following terms and expressions are used:

significant transaction - transaction (operation) exceeding the limit values set in the bank's internal programs for categories of customers;

occasional transaction - the transaction (operation) performed in the absence of a business relationship with the bank;

electronic transaction - any transaction (operation) made on behalf of an individual or legal entity (initiator) through a bank, using electronic means;

anonymous account - account whose owner is unknown;

fictitious name account - account opened on behalf of a person who is not identified and which is assigned with an invented name.

Chapter II
RESPONSABILITITIES

4. The bank shall have internal programs on prevention and combat of money laundering and terrorist financing.

5. The Board of the bank is responsible for the development, approval and implementation of programs for prevention and combat of money laundering and terrorist financing. The Board and the executive body of the bank are responsible, within their competence, for the bank's compliance with the legislation in the field of prevention and combat of money laundering and terrorist financing.

6. The internal audit or other controlling unit shall carry out an independent evaluation of the adequacy and compliance of bank's activity with the programs on prevention and combat of money laundering and terrorist financing at least quarterly. The evaluation results shall be communicated to the Bank Board, Censor Commission, executive body of the bank, as well as the National Bank of Moldova in accordance with the Instruction on compilation and submission of reports regarding the financial activity by banks, approved by the Council of Administration of the National Bank of Moldova no.36 of 08.08.1997.
7. Censor Commission shall carry out the evaluation, at least annually, of the reports and recommendations made by internal audit regarding prevention and combat of money laundering and terrorist financing, as well as the way they are implemented.

Chapter III
STRUCTURE OF PROGRAMS FOR PREVENTION AND COMBAT OF MONEY LAUNDERING AND TERRORIST FINANCING

8. The programs on prevention and combat of money laundering and terrorist financing represent policies, procedures and other rules, including rules to know your customer, which promotes ethical standards and professionalism in the banking sector and prevent the use of bank for the purpose of money laundering or terrorist financing, intentionally or unintentionally, by criminal elements. These programs must provide banking operations in a safe and prudent way.
9. The bank shall develop programs on prevention and combat of money laundering and terrorist financing in accordance with the provision of the legislation in force, also taking into account the generally accepted practice in this field, including documents of the Basel Committee and of the Financial Action Task Force (FATF).
10. When developing programs, it should be taken into account the size, complexity, nature and volume of bank activities, types (categories) of customers, the degree (level) of risk associated with different customers or their categories and the transactions (operations) conducted by them.
11. The programs on prevention and combat of money laundering and terrorist financing shall provide, without limitation, the following:
1) obligations of the bank's executive body, which must include at least:
a) acquaintance with the criteria (indices) of high-risk customers;
b) approval of significant transactions of high-risk customers (or delegation of power of approval of the bank branch administrators, as appropriate);
c) determination of bank's areas of activities vulnerable to the risk of money laundering and terrorist financing, with exact delineation of the duties of each subdivision with the function of prevention and combat of money laundering and terrorist financing. The areas of activities vulnerable to the risk of money laundering and terrorist financing may be those touching upon the following: accepting deposits, using payment instruments, credit operations, banking correspondent accounts, accounts opened by intermediaries in the process of exercising their professional activities as an agent, remote banking systems, international money transfer systems, trade finance, brokerage and trust management operations, etc.;
d) assurance of removal of noncompliance identified regarding prevention and combat of money laundering and terrorist financing;

e) implementation of programs on prevention and combat of money laundering and terrorist financing, including determining the responsibilities of staff at different hierarchical levels;
f) implementation of internal procedures regarding the access in a reasonable time of responsible staff for the information necessary for the performance of job obligations;
2) customers acceptance procedures to determine at least the categories of customers that the bank aims to attract and hierarchical level of staff that approve the entering into business relationship with them, depending on the degree of risk associated, types of products and services that are provided;
3) measures for identification, verification and monitoring of customers and beneficial owners depending on the degree of risk associated with (rules of knowing your customers), the criteria and procedure for the movement of customers from one risk category to another;
4) the content of standard measures and high risk measures regarding the customers knowledge for each category of customers, products and services or transactions (operations) subject to these measures;
5) procedures to monitor the operations carried out by the customers in order to detect the significant, complex and unusual transactions, suspicious activities and transactions;
6) procedures and requirements regarding taking enhanced measures when performing complex and unusual transactions without a clear economic or lawful purpose, as well as to the
significant and suspicious transactions;
7) ways of dealing with customers and transactions carried out by customers with the countries / areas which do not have rules against money laundering and terrorist financing, or have inadequate rules to that effect, or represent a high risk due to high crime and corruption and / or are involved in terrorist activities;
8) way of drawing and maintaining the information and the way of establishing the access to them;
9) procedures for internal reporting and external (to the competent authorities) reporting regarding the suspicious activities and transactions;
10) verification procedures and measures of compliance to the standards developed and the assessment of their effectiveness;
11) standards for staff selecting, hiring and training in know your customers field;
12) procedures for identification and analysis of risks related to money laundering and terrorist financing, including ways to minimize them, regarding the use of information technologies, including new ones, purchased or developed in the process of products development or services offered by the bank.
12. Bank reviews (updates), whenever it is necessary, programs for prevention and combat of money laundering and terrorist financing, but at least annually, taking into account the provisions of legislation in force.

Chapter IV
KNOW-YOUR-CUSTOMER RULES
Section 1
Customer Acceptance Procedures

13. Customer acceptance procedures shall contain a description of bank customers who seem to expose the bank to a high risk by using it for money laundering and terrorist financing purposes. In order to minimize this risk, the information on customers shall be examined under a range of issues, such as customers experience in the field of activity, country of origin, social position, activities or other risk indicators established by the bank, taking into account the Recommendations on banks' risk-based approach actions taking in relation to their customers in the context of prevention and combating money laundering and terrorist financing, approved by the Decision of the Council of Administration of the National Bank of Moldova no.96 of 05.05.2011.
14. Customer acceptance procedures will include several steps depending on the degree of customers' risk, emphasizing customers with high income whose source is unclear or not identified. Decisions to begin, continue, or terminate the business relationships with customers with an increased risk are taken by a member of the executive body of the bank or branch administrator.
15. Customer acceptance procedures should not restrict the general public access to general banking services.

Section 2
Customer identification measures, monitoring of activities and transactions

16. The bank shall apply identification measures to customers, as well as to their beneficial owners:
a) up to setting up business relationships or up to opening bank accounts;
b) for occasional transactions in an amount of at least 50000 lei, and electronic transactions totaling at least 15000 lei, regardless of whether the transaction is carried out through a single operation or several operations;
c) if there is a suspicion of money laundering or terrorist financing, regardless of any set exceptions, exemptions or limits;
d) if there are doubts about the veracity and accuracy of identification data.
17. For the identification of customers in cases referred to item 16, the bank shall apply the following standard measures of "know your customers":
1) for individuals – the bank shall obtain at least the following information:
a) name and surname;
b) date and place of birth;
c) citizenship;
d) information included in identity document: state identification number (tax code), series and personal code, issue date, the code of the body that issued it (if there is any) or other unique indices contained in an ID with the bearer's photograph (passport, identity card, residence permit issued by the authorities of the Republic of Moldova and other identity documents);
e) home address and / or residence;
f) occupation, public position held and / or name / full name of the employer;
g) purpose and nature of the business relationship with the bank – in cases foreseen in item 16, point a), c) and d);
h) telephone, fax, electronic mail (email) (if there is any);
i) signature;

2) for legal entities and individuals which carry out entrepreneurship activities - the bank shall obtain at least the following information:
a) full and abbreviated name (if there is any), legal form;
b) headquarter and mailing address other than the headquarter (if there is any);
c) information on the state registration: state identification number (tax code) and date of state registration in accordance with the registration certificate and / or extract from the State Register issued by the body authorized with the right to make state registration;
d) certified copy of documents of incorporation, as amended and supplemented, if applicable (or copy made by the bank form the original documents);
e) information on persons identity who are invested with the right to open and / or have the account, to lead and represent the person and individual which carry out entrepreneurship activities;
f) telephone number, fax, e-mail, as appropriate;
g) the nature and purpose of the activity.
3) when performing currency exchange operations in cash with individuals through foreign exchange bureaux, the bank shall identify the individuals in accordance with the Regulation on foreign exchange entities, approved by the Decision of the Council of administration of the NBM no.53 of 5 March 2009.
18. The bank shall identify the beneficial owner of the customer and shall apply reasonable risk-based measures to verify its identity so as to be convinced who is the beneficial owner in order to understand the ownership and control structure of the customer. To identify the beneficial owner, the bank shall implement the measures described in item 17.
19. As for the identification of the beneficial owner of the legal entity with complex ownership structure (legal entity whose direct owners are not individuals), the bank shall determine the beneficial owner based on the appropriate registration documents.
20. It is not necessary to identify and verify the identity of the beneficial owner in cases when the customer or legal entity - the owner of the controlling interest of the customer, is a joint-stock company which securities are accepted for transaction within a regulated security market, being subject to public disclosure of information requirement.
21. The bank shall determine whether the person opening the account or initiating a business relationship acts in his name (person's declaration on the beneficial owner), but if the opening of the account or initiation of the business relationship is performed by an empowered person, the bank shall require an attorney legalized in accordance with the law. The bank shall apply measures to identify the empowered person as in accordance with the provisions of this Regulation. The person's declaration on the beneficial owner is fulfilled by the beneficial owner or by the empowered person accordingly, and should contain information as of the item 17 point 1) of this Regulation.
22. In order to identify the customer, the bank shall verify the presented information regarding both the customer and the beneficial owner.
23. The bank shall verify the identity of the customer and beneficial owner up to establishing the business relationship or when establishing a business relationship or conducting transactions under the item 16 letter b).
24. In order to verify the presented information for the identification of the customers and beneficial owners, the bank shall use reliable and independent sources:

1) for individuals – the bank shall verify the information based on the documents issued by a public authority or by an entity entitled to issue such kind of documents. Verification of information that can not be proved by the documents listed above shall be achieved, taking into consideration a risk based approach, by any suitable method, such as:
a) to confirm the address of residence if it is not the same as home address - by asking for utilities bills, documents confirming the payment of taxes, information from public authorities or other persons;
b) to confirm the information presented after opening the account - by contacting the customer by phone, fax or e-mail (if there is any);
c) to confirm the validity of identity documents – by certificates issued (for example, based on state or private registers) by public authorities or other competent persons (e.g. notaries, embassies, etc.);
2) for legal entities and individuals which carry out entrepreneurship activities - by any appropriate method, taking into consideration the risk based approach, so the bank to be ensured about the veracity of information, such as:
a) verification of the legal existence of the legal entity and individuals which carry out entrepreneurship activities by verifying the registration in the State Register of legal entities or,where appropriate, in another public or private registry;
b) verification of customer information in databases on existing business relationships;
c) review of last financial reports (except opening an account to a newly established legal entity and individuals which carry out entrepreneurship activities) and externally audited accounts, if applicable;
d) performance of an analysis, either individually or through another person regarding the existence of insolvency, liquidation or sale process, or other potential financial problems;
e) obtaining reference of the bank with which the customer had business relationships in the past, if there is any;
f) contacting the customer by phone or fax, by mail post or e-mail, verifying the information on the website of the customer, if there is any, or making an onsite trip to the office or another address of the legal entity and individuals which carry out entrepreneurship activities;
3) for the beneficial owner – measures provided for in sub-item 1).
4) if a person is empowered on behalf of the customer to open an account or to carry out transactions, the bank shall verify his identity and the identity of the person in whose name he operates, using the same procedures described in this Regulation.
5) when performing currency exchange operations in cash with individuals through foreign exchange bureaux, the bank shall verify the individuals in accordance with the Regulation mentioned in item 17, paragraph 3).
25. Documents presented to identify the customer and the beneficial owner should be valid on the submission date.
26. Documents shall be presented by the customer in the original or a copy (photocopy) certified properly, if not required by law otherwise. If the documents are submitted as copy (photocopy), the bank requests the original documents in order to verify whether copy (photocopy) correspond to the original documents.
27. For business relationships the bank revises and update whenever necessary but at least annually, the information related to identification of the customers and their beneficial owners.

28. The bank shall continuously monitor the activities, transactions (operations) of the customer or business relationship with it. Continuous monitoring actions include:
1) determining the ordinary transactions (specific) of the customer;
2) detailed examination of transactions during the business relationship to make sure they are consistent with the information available to the bank, with the activity and risk associated with the customer. The examination of transactions involves at least that the bank should have mechanisms/automated solutions in order to detect suspicious activities, transactions and persons. The detection of suspicious activities, transactions and persons can be accomplished by setting the threshold for a particular group of or category of transactions, banking accounts. A special attention is paid to transactions exceeding these threshold and transactions that do not have a visible economic purpose (for example, those that seem to have no economic sense or that involve large amounts of money, which is not specific for normal or expected transactions of the customer);
3) verifying whether the documents and information gathered during the monitoring process of customers and transactions are updated and relevant, including for those customers or business relationships with a high degree of risk;
4) reporting to the administrator responsible for the information necessary to identify, analyze and effectively monitor the customer accounts and transactions, including high-risk customers;
5) identification of suspicious activities, transactions, including those potential and the sources of funds used in these activities and transactions.
29. The bank shall pay special attention to all large, complex or unusual transactions, which have no economic or legal purpose, such as significant or unusual transactions for the customer. The bank shall examine the nature and purpose of these transactions and shall take enhanced security measures in accordance with the requirements of this regulation. In such situations, the bank obtains the supporting documents for the transactions and determines the source of used funds (contracts, invoices, shipping documents, customs declaration, certificate on salary, tax reports, activity reports and other documents).
30. The bank is obligated:
a) not to open the account, not to establish business relationship, not to transact with the customer if the bank can not ensure compliance with items 16 -18, 23 and 24;
b) in case of an existing business relationship, the bank shall end the business relationship if it finds that the information obtained are unauthentic (doubtful);
c) to report the circumstances specified in letter a) and b) to the competent authority in accordance with the Law on preventing and combating money laundering and terrorist financing.
31. The bank shall not open and maintain anonymous or fictitious accounts, shall not establish or continue a business relationship with a fictitious bank or a bank known that allows another fictitious bank to use its accounts.

Section 3
Enhanced Know-Your-Customer measures

32. In order to enforce the law on preventing and combating money laundering and terrorist financing, the bank shall determine the categories of customers, activities and transactions (operations), which have a high degree of risk based on indicators set, where

appropriate, by the volume of assets or income, type of requested services, type of activity, economic circumstances, the reputation of the country of origin, the plausibility of explanations offered by the customer, the thresholds set by the categories of transaction.

33. In order to know the customers, the bank, in addition to the standard measures, shall increase the precautionary measures in the following cases:

1) if the customers are not present personally for the identification (remote clients) – for the transactions referred to in item 16 letter b).

2) cross-border banking relationships (correspondent banking);

3) transactions or business relationships with politically exposed persons;

4) for customers who receive or send goods from / to the following countries and / or areas:

a) do not have regulations against money laundering and terrorist financing, or have inadequate regulations in this regard;

b) representing a high risk due to high levels of crime and corruption;

c) where it can be held illegal manufacture of drugs;

d) off-shore;

e) that are involved in terrorist activities;

5) for customers with accounts opened for investments and fiduciary asset management;

6) for customers who issue bearer financial instruments, customers, professional participants on the securities market and other professional intermediaries such as pension funds, investment funds, lawyers, notaries who act for their customers.

7) for customers that offer services linked with transfers of financial means (nonbank offers of payment services through special cash in devices, etc.);

8) electronic transactions, if there is insufficient information regarding the expeditor's identity, as well as transactions that could favor the anonymity.

34. Enhanced precautionary measures implemented by the bank shall include:

1) increased monitoring and ongoing performance of the business relationship;

2) special measures to establish or verify the source of funds;

3) implementation of information systems appropriate for information management, which enable the provision of timely information necessary to identify, analyze and effective monitoring of transactions, including reporting to the competent authority in accordance with the law. The IT systems should allow at least the finding of lack or insufficiency of relevant documents or information at the beginning of business relationship, unusual transactions (operations) carried out through the customer's account and the aggregate situation of all customer transactions with the bank;

4) insurance that the persons responsible for coordination of activities of services rendered to the respective customers know and pay attention to the information obtained from third parties in connection with these customers;

5) for individuals – verification of employment, public offices held, if applicable;

6) warning customers, whose activities or transactions have a high risk of money laundering and terrorist financing, about the need to increase the "know-their-business partners" measures and, where applicable, about the termination of business relationships or refusal to carry out operations with such customers. The requirements to know the business relation partners are the same as those applied by the bank to its customers in accordance with this Regulation.

7) addition measures provided for in item 35 - 39.

35. In the case stipulated in item 33 sub-item 1), the bank shall apply increased precautionary measures to customers who are not able to present themselves personally for identification (for example, in case of relationships by mail or telephone, e-mail, Internet or other electronic means), enhanced measures by using such mechanisms as digital signatures, biometric methods, session keys, etc. At the first visit of the customer at the bank, the bank shall require the documents and information as required by this Regulation. In addition, the bank shall apply one or more of the following measures:

a) to require customer identification documents issued by a responsible authority or body, including a specimen of signatures, other documents, if necessary, to complete the customer's file;

b) to take measures to protect the authenticity of documents in electronic sent to the bank;

c) to use the information provided by a bank where the customer has opened an account and to apply at least the same know-your-customer measures and to be subject to an effective supervision;

d) to require that the first payment to be made on behalf of customer through an account at another bank, which applies at least the same know-your-customer measures and is subject to an effective supervision, if necessary;

e) to establish and maintain a way of contacting the customer, independent of the procedure of conducting transactions with the remote customers.

36. In correspondent banking relationships, the bank shall accumulate sufficient information about the correspondent bank (institution, organization) to fully understand the scope of its activity.

To this end the bank shall:

1) obtain at least information on:

a) board and executive body of the correspondent bank, its most important activities, their place and the measures applied to prevent and combat money laundering and terrorist financing;

b) purpose for opening the account;

c) correspondent bank's reputation and quality of supervision, including whether it was the subject of investigations or remedial actions related to money laundering or terrorist financing, from publicly available sources;

2) assess the adequacy and effectiveness level of policies of the correspondent bank on preventing and combating money laundering and terrorist financing;

3) establishing the correspondence relationship after obtaining the approval of the bank's administrator;

4) establish documentarily the responsibilities of the correspondent bank in preventing and combating money laundering and terrorist financing and the fact that the correspondent bank shall verify the identity of its customers, shall have effective know-your-customer rules;

5) elaborate arrangements that allow bank to verify the procedures of the correspondent bank applied for know-your-customer purposes and send / receive, upon request, documents and information related to customers activity and their transactions.

37. In the business relationships or transactions with politically exposed persons, the bank shall apply at least the following measures:

1) to have a risk management system that:

a) allows to determine whether a customer, a potential customer and / or its beneficial owner is or is not a politically exposed person;
b) supposes to require relevant information from the client and / or its beneficial owner, the existence of a reference to a source of information publicly available or access to a commercial electronic database with information about the politically exposed persons;
2) to obtain the approval of the executive member of the bank (branch manager) to establish business relationship, and if the client or its beneficial owner became later a politically exposed person - to continue the business relationship;
3) to establish the source of funds and other property involved in the business relationship or transaction;
4) to request information on family members and persons associated with the politically exposed person at the same intensity as the bank indentifies its customers in accordance with this Regulation;
5) to monitor increasingly and permanently the business relationship, including regularly updating the information about the customer and / or its beneficial owner of the politically exposed person.
38. If the customer establishes the business relationship with the purpose of investing and managing fiduciary asset, the bank shall identify the person in whose behalf the business relationship is established, the beneficiary on whose behalf the person acts, and shall determine the details of the nature of existing arrangements. The identification measures shall also include the founders of fiduciary administration, any other person who handed over assets in fiduciary management, any beneficiary of the fiduciary administration and any person entitled to dispose of the property.
39. If the customers who act for others, referred to in item 33 sub-item 6), do not have the right to provide bank the necessary information regarding the beneficial owners, the bank shall not open another account or establish another business relationship.

Chapter V
REPORTING OF ACTIVITIES AND TRANSACTIONS

40. The bank is obliged to inform the Office for Prevention and Combating Money Laundering about:
1) any suspicious activity or transactions involving money laundering and terrorist financing in preparation, progress or already made - immediately but not more than 24 hours;
2) activities or transactions made in cash through an operation with a value of at least 100000 lei (or its equivalent) or through more cash operations which appear to be a connected between them - in 10 days working;
3) activities or transactions carried out by transfer, through an operation with a value that equals or exceeds 500000 lei - not later than the 15th of the month following the reporting month. Are exempted from the reporting regime the operations among banks/financial institutions, between banks/financial institutions and National Bank of Moldova, between banks/financial institutions and State Treasury, between the National Bank of Moldova and the State Treasury and the operations of collecting service fees from bank accounts and bank charges. For the purposes of this paragraph, the term "bank/financial institution" includes only reporting entities under the Law on preventing and combating money laundering and terrorist financing.

41. The bank shall have:
a) clear procedures, based on the Law on preventing and combating money laundering and terrorist financing, known to all personnel, providing reporting by the personnel of all suspicious activities and transactions;
b) systems to detect suspicious activities and transactions according to criteria established by the competent authorities;
c) procedures for informing the executive and internal security services on issues related to preventing and combating money laundering and terrorist financing.
42. The bank shall inform, where appropriate, the National Bank or other authorities empowered to supervise the reporting entities in accordance with the Law on preventing and combating money laundering and terrorist financing, on suspicious activities and transactions, fraud affecting essentially the safety, stability or reputation of the bank.

Chapter VI
DATA STORAGE

43. The bank shall keep the obtained documents and information relating to the identified customers and beneficial owners and their transactions (operations) at least five years after terminating business relation or closing the account. At the same time, the bank shall keep the documents and information obtained related to identification of customers and beneficial owners, as well as for their transactions (operations) for the active period of the business relationship. The bank, at the same time, keeps record for the transactions (operations) for the period of five years after their termination.
44. Procedures for storing the documents and information shall include at least the following:
1) keeping a register of identified customers and beneficial owner, containing at least: name / client name, tax code, account number, opening date, closing date);
2) keeping all the primary documents, including business correspondence;
3) keeping records on identification and verification of the customers and beneficial owners regarding the monitoring of operations of customers and keeping the supporting documents related to the operations;
4) keeping the information about transactions, including those complex and unusual;
5) archiving the information about the transactions and business correspondence in IT systems and keeping the archive safe and available;
6) when performing currency exchange operations in cash with individuals through foreign exchange bureaux, the bank shall apply the provisions related to record keeping in accordance with the Regulation on foreign exchange entities, approved by the Decision of the Council of administration of the NBM no.53 of 5 March 2009.
45. The bank shall ensure that the documents and information on the identification and verification of customers and beneficial owners, regarding monitoring customers operations, including supporting documents related to the operations, are accessible and available to the competent authorities in case of request. At the request of the competent authorities, the term regarding the possession and storage of the information relating to customers and their operations can be extended for a period specified in the request.

Chapter VII
INTERNAL CONTROL

46. To ensure the observance of programs to prevent and combat money laundering and terrorist financing, the bank shall have an internal control system that ensure continued compliance of the bank with the normative acts and the internal program in the domain and will contribute to minimization of the relating risks.
47. The internal control system shall include at least the following:
1) carrying out by the bank personnel or by an independent person an audit to verify the observance of programs to prevent and combat money laundering and terrorist financing. Audit functions for this purpose are:
a) independent evaluation of programs on preventing and combating money laundering and terrorist financing and observance with the requirements of legislation in force;
b) monitoring personnel activity by testing the compliance;
c) testing of transactions if necessary;
d) informing the executive body on the results of verification;
2) appointment of an administrator from the bank's executive body, responsible for ensuring compliance of programs to prevent and combat money laundering and terrorist financing with the requirements of legislation and their appropriate application (hereinafter - the responsible administrator). To this end, the responsible administrator shall have the following duties:
a) to provide consultations to bank staff on issues that arise during the implementation of programs on preventing and combating money laundering and terrorist financing, including on the identification and examination of bank customers and assessment of risk of money laundering and terrorist financing;
b) to take decisions based on the received information;
c) to take measures regarding the reporting of information to the competent authority to prevent and combat money laundering and terrorist financing, in accordance with the law;
d) to organize training for bank employees in preventing and combating money laundering and terrorist financing;
e) to present in writing, at least yearly, to the bank Board a report on implementation of programs on preventing and combating money laundering and terrorist financing;
f) to cooperate with the audit service to fulfill its purpose of verifying the compliance of bank's activity with the legislation to prevent and combat money laundering and terrorist financing;
g) to perform other functions in accordance with this Regulation and internal bank documents;
3) internal provisions on employees duties who intentionally fail to report suspicious activities or transactions to the responsible person, security service or directly to the competent authority and / or personally contributes to the operations of money laundering and terrorist financing.
48. The bank shall have training programs for staff in preventing and combating money laundering and terrorist financing and personnel selection.
49. The training programs specified in item 48 shall include various aspects of the process of preventing and combating money laundering and terrorist financing and the duties under legislation, including:
a) training the new employed personnel on the importance and basic requirements of those programs;

b) training the "first line" personnel (employees who are directly in contact with customers) on the verification of the identification of new clients, monitoring the customers accounts existing on an ongoing basis, finding the indices and reporting the suspicious activities and transactions and those subject to reporting;
c) regular updating of personnel responsibilities;
d) new techniques, methods and trends of money laundering and terrorist financing;
e) the involvement of personnel in the prevention and combating money laundering and terrorist financing. The content and schedule of personnel training must be adjusted to individual needs of the bank.

Chapter VIII
SANCTIONS AND REMEDIAL MEASURES

50. If there is violation of the requirements of this Regulation, the obligations under the Law on preventing and combating money laundering and terrorist financing, the National Bank of Moldova may impose sanctions and remedial measures in accordance with Article 38 of the Law on Financial Institutions.
51. In order to eliminate the breaches and shortcomings found and the conditions that favor their commission, the National Bank of Moldova, in addition to the sanctions and remedial measures referred to in item 50, may order the following measures:
a) to order a change in programs to prevent and combat money laundering and terrorist financing;
b) to prescribe enhanced measures on "know-your-customer" for products, services, transactions (operations) or customers where the programs on preventing and combating money laundering and terrorist financing establish the application of standard measures for "know-your customer";
c) to prescribe the replacement of the responsible administrator.

- **Regulation on opening, modification and closing of accounts in authorised banks (decision of the Council of Administration of the NBM no. 297 of 25.11.2004)**

Chapter 1
GENERAL PROVISIONS

1. General provisions

1.1. This Regulation is worked out in accordance with provisions stipulated in Articles 5, 11 and 44 of the Law on the National Bank of Moldova no. 548-XIII of 21.07.95 and other normative acts in force and regulates the procedure of opening, modifying and closing of accounts in MDL and/or other foreign currencies with licensed banks of the Republic of Moldova.

(Item 1.1. amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)

1.2. The provisions of this Regulation covers: legal entities; representative offices established on the territory of the Republic of Moldova of non-resident legal entities; enterprises under status of individual; and individuals opening accounts with licensed banks of the Republic of Moldova and also licensed banks that are opening accounts with the National Bank of Moldova.

(Item 1.2. amended by the Decision of the Council of Administration of the NBM no. 145 of 31.07.2008, in force on 16.09.2008.)

(Item 1.2. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

(Item 1.2. amended by the Decision of the Council of Administration of the NBM no.336 of 10.11.2005, in force on 18.11.2005.)

1.3. Licensed banks shall open, modify and close bank accounts as in accordance with the legislation in force and the provisions of this Regulation.

(Item 1.3. amended by the Decision of the Council of Administration of the NBM no. 145 of 31.07.2008, in force on 16.09.2008.)

1.4.The following definitions and terms shall be used within the scope of this Regulation:

Licensed bank (hereinafter *Bank*) – a bank holding the license of the National Bank of Moldova to conduct financial activities.

Foreign bank – a bank established and registered as in accordance with the legislation in force of the foreign state and holding the license to conduct banking activities duly issued by the banking supervisory body legally empowered to act so within the residence country of the relevant bank.

Account holder – legal entity; representative office established in the Republic of Moldova of a nonresident legal entity; enterprise under status of individual; individual on whose name the account was opened.

Bank account (hereinafter *Account*) – analytic account opened in account holder's name, through which operations related to collection and/or payment of funds are conducted.

Current bank account (hereinafter *Current Account*) – account opened by the bank in the name of account holder, which serves for registration in chronological order of cash and/or transfer transactions conducted in/through this account as in accordance with the legislation in force.
Loro account – current account opened by a bank for another bank.
Deposit account – account opened by the bank for account holder for purposes of recording transactions related to placement of temporary available funds for term (term deposit account – account opened with a bank, in which funds are placed under certain interest for a fixed time-period) or at sight (sight deposit account – account opened with a bank, in which funds are placed under or no interest within fixing of placement term) as in accordance with the legislation in force.
Credit account – account opened by a bank with the purposes of registration of the transactions related to recording and reimbursement of loans extended by the bank to account holders.
Provisional account – account opened by a bank for a certain time-period for purposes of accumulation of funds for equity capital establishment or for accumulation of funds gained following shares' placement.
Authorized person – person authorized by law, documents of establishment or by account holder through legal act (power of attorney, proxy, etc.) to deliver to the bank documents necessary for account opening/ management/ modification and closing of account in the name of account holder.
The terms "*resident*" and "*non-resident*" shall have the same meanings as in the foreign exchange legislation of the Republic of Moldova.
(Item 1.4. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 1.4. amended by the Decision of the Council of Administration of the NBM no. 35 of 05.02.2009, in force on 06.03.2009.)
(Item 1.4. amended by the Decision of the Council of Administration of the NBM no. 145 of 31.07.2008, in force on 16.09.2008.)
(Item 1.4. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

2. Rights and obligations of account holders
2.1. To conduct transactions related to funds' collection, payment and placement and any other bank transactions, the legal entity, representative office on the territory of the Republic of Moldova of a nonresident legal entity, individual entrepreneur and individual may open one or more accounts in MDL and/or foreign currencies with any bank of the Republic of Moldova.
(Item 2.1.amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

2.2. Documents deemed necessary for opening of accounts for legal entities, representative offices in the Republic of Moldova of non-resident legal entities, individual entrepreneur, individual performing other type of activity, shall be submitted to the bank by one of persons with the right of signature that will be indicated in the Signature and Stamp Card or by any other authorized person.

(Item 2.2. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 2.2. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

2.3. Documents deemed necessary for account opening for individuals shall be submitted to the bank personally or by the authorized person.
2.4. Upon account opening, documents shall be submitted together with relevant copies thereof, except in the events when duly notarized copies are submitted.
(Item 2.4. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

3. Right and obligations of the Bank
3.1. Banks shall independently authorize bank officers (hereinafter bank responsible executive) to open, modify and close accounts of clients.
3.2. Upon receipt of documents provided in this Regulation for opening of clients' accounts, bank responsible executors shall as follows:
- check the validity of the submitted documents, in case it was set out;
- collate data within copies of documents submitted for account opening with the view to checking the compliance of thereof with the original data and apply on each copy the wording "The copy corresponds with the original", the date, his/her name and surname, as well as signature;
- identify the person submitting the documents with the person from the photo in the identity card and collate data within the copy of identity card with data from the original act;
- identify the empowered persons who apply the signature specimen on the Signature and Stamp Card according to the requirements provided in item 15.1[1].;
- return original documents (to be submitted together with copies upon account opening) to the person submitting them;
- deliver to the bank manager or to any other person authorized to act as so the set of documents required for account opening for purposes of examination and decision-taking.
(Item 3.2. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 3.2. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

3.3. After receiving the positive decision of the bank's manager or of any other person authorized to act so on the applicant's account opening request, bank responsible executives shall open the account and, by the case, conclude the relevant contract or any other documents commonly agreed upon by the parties, as in accordance with the legislation in force of the Republic of Moldova.
3.4. Banks shall, in situation and according to procedures provided in the legislation in force, inform fiscal authorities within the territory where account holders are registered about account opening, modification and closing. In such events, operations in/from

accounts shall start following relevant confirmation by fiscal authorities of account recording.
3.5. Bank responsible executors shall enter all data on accounts opened in the name of account holders in the Register of analytical accounts opened with the bank and kept according to the legislation in force. These data shall include as follows:
- name of account holder;
- name of account;
- number of analytical account;
- date of account opening, modification and closing;
- fiscal code;
- issuance date of bank account recording certificate;
- any other data following bank decision.
(Item 3.5. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

3.6. Bank may open credit accounts in the name of legal entities, representative offices in the Republic of Moldova of non-resident legal entities, individual entrepreneurs, individuals as in accordance with provisions of the legislation in force and the normative acts of the National Bank of Moldova.
Banks, through internal regulations, shall establish requirements towards credit accounts opening independently.
(Item 3.6. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)
(Item 3.6. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

Chapter II
OPENING OF ACCOUNTS TO LEGAL ENTITIES

4. Opening of current accounts to resident legal entities

4.1. To open current accounts, resident legal entities holding registration certificate confirming the state registration and registration for tax purposes, the following documents shall be submitted:
a) application for account opening (Attachment no. 1);
b) Signature and Stamp Card;
c) copy of the registration certificate;
d) copy of the excerpt from the State Register, issued by the entity responsible for state registration, containing the information described, where appropriate, in the Attachment no.6 or in the Attachment no.7;
e) copy of the identity card of the person submitting documents for account opening.
(Item 4.1 in the wording of the Decision of the Decision of the Council of Administration of the NBM no.258 of 28.12.2010, in force on 02.07.2012.)
(Item 4.1 amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 4.1 amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

4.2. To open current accounts, resident legal entities, other than those mentioned in items 4.1 and
4.3, shall submit the following documents:
a) application for account opening (Attachment no. 1);
b) Signature and Stamp Card;
c) copy of the document confirming state registration (for persons who according to the legislation hold such document) or copy of the normative act approving the legal entity's regulation or status;
d) copies of documents of establishment (regulation, charter, etc.);
e) copy of the certificate of fiscal code assignment (for persons who according to the legislation hold such document);
f) copy of the identity card of the person submitting documents for account opening.
(Item 4.2. in the wording of the Decision of the NBM no.258 of 28.12.2010, in force on 02.07.2012.)
(Item 4.2 amended by the Decision of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

4.3. Enterprises that do not hold the certificate of fiscal code assignment shall submit, in order to open current accounts, the following documents:
a) application for account opening (Attachment no.1);
b) Signature and Stamp Card;
c) copy of the excerpt from the State Register of Enterprises and Organizations issued by the State Registration Chamber;
d) copy of the identity card of the person submitting documents for account opening.
e) copies of documents of establishment (regulation, charter, etc.);
(Item 4.3. amended by the Decision of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 4.3. amended by the Decision of the NBM no.67 of 17.04.2008, in force on 31.05.2008.)
(Item 4.3. included by the Decision of the NBM no.301 of 29.11.2007, in force on 28.12.2007.)

5. Opening of current accounts to non-resident legal entities
5.1. To open current accounts, non-resident legal entities having objects subject to taxation in the territory of the Republic of Moldova and the representatives of non-resident legal entities registered under Moldovan law, shall submit the following documents:
a) application for account opening (Attachment no.1);
b) Signature and Stamp Card;
c) copy of documents confirming the state registration of the non-resident legal entity in the origin country as in accordance with the legislation in force of the origin country;
d) copy of the certificate of fiscal code assignment or copy of Registration Certificate;
e) copies of documents of establishment (establishment act, charter, regulation, etc.);
f) copy of the identity card of the person submitting documents for account opening.

(Item 5.1 amended by the Decision of the NBM no.258 of 28.12.2010, in force on 02.07.2012)
(Item 5.1. amended by the Decision of the NBM no.96 of 23.04.2009, in force on 22.06.2009.)

5.2. To open current accounts, non-resident legal entities that do not have any fiscal commitments and/or objects subject to taxation in the territory of the Republic of Moldova shall, additionally to documents indicated in item 5.1 (except letter c) and d)) submit information with regard to absence of fiscal obligations and/or taxable objects in the territory of the Republic of Moldova.
[Item 5.3 excluded by the Decision of the NBM no.258 of 28.12.2010, in force on 02.07.2012]

5.4. The Signature and Stamp Card indicated in letter b) item 5.1. may be elaborated abroad, but needs legally notarization. In such event, parties shall independently agree upon the relevant patter, paying due consideration to the provisions of item 15.2.
5.5. To open accounts, diplomatic missions, consular offices and representative offices of international organizations accredited by the Minister of Foreign Affairs and European Integration of the Republic of Moldova shall submit the following documents:
a) application for account opening (Attachment no.1);
b) Signature and Stamp Card without notary legalisation; parties shall independently agree upon the relevant patter, paying due consideration to provisions of item 15.2;
c) confirmation by the Minister of Foreign Affairs and European Integration of the Republic of Moldova of their activity in the territory of the Republic of Moldova;
d) copy of the certificate of accreditation providing the holder's signature, issued by the Minister of Foreign Affairs and European Integration of the Republic of Moldova to the member of the mission, consular office or representative office of the international organization.
[Item 5.5 amended by the Decision of the NBM no.258 of 28.12.2010, in force on 02.07.2012]
[Item 5.6 excluded by the Decision of the NBM no.258 of 28.12.2010, in force on 02.07.2012]

6. Opening of provisional accounts
6.1. To open provisional accounts upon initial establishment of equity capital, the following documents shall be submitted:
a) application for account opening (Attachment no.1);
b) recording certificate issued by the State Chamber of Registration;
c) copy of the decision on issuance of shares (upon establishment of joint stock company);
d) copy of the identity card of the person submitting documents for account opening.
[Item 6.1 amended by the Decision of the NBM no.96 of 23.04.2009, in force on 22.06.2009]

6.2. To open provisional accounts upon performance of public issuances of shares of an enterprise in operation, the following shall be submitted:

a) application for account opening (attachment no. 1);
b) copy of the decision of the National Commission of Financial Market and of the certificate on registration of public offer of shares at the National Commission of Financial Market;
c) copy of the certificate of fiscal code assignment or copy of documents recognised as such;
d) copy of the excerpt from the State Register, issued by the State Chamber of Registration (except licensed banks);
e) copy of the identity card of the person submitting documents for account opening.
[Item 6.2 amended by the Decision of the NBM no.258 of 28.12.2010, in force on 02.07.2012]
[Item 6.2 amended by the Decision of the NBM no.96 of 23.04.2009, in force on 22.06.2009]
[Item 6.2 amended by the Decision of the NBM no.67 of 17.04.2008, in force on 31.05.2008]

6.3. Following enterprise state registration / public issuance, funds from provisional account shall be transferred to current account opened as in accordance with this Regulation. The Signature and Stamp Card as provided upon current account opening shall be used within this operations.

7. Opening of Loro accounts
7.1. Loro accounts in MDL shall be opened as follows:
a) to licensed banks – with the National Bank of Moldova;
b) to licensed banks – with the settlement bank of the Stock Exchange of Moldova and the National Depositary of Securities of Moldova;
c) to licensed banks – with the settlement bank that makes settlements related to the operations with bank cards;
d) to foreign banks – with licensed banks.
(Item 7.1. amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)
(Item 7.1. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

7.2. Loro accounts in foreign currencies shall be opened as follows:
a) to licensed banks – with licensed banks;
b) to foreign banks – with licensed banks.
(Item 7.2. amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)

7.3. To open Loro accounts of licensed banks with the National Bank of Moldova and licensed banks, applicants shall submit documents provided in item 4.1 of this Regulation and the copy of the license issued by NBM to conduct financial activities (in the event the accounts are opened with banks other than the NBM).

(Item 7.3. amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)
(Item 7.3. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

7.4. To open Loro accounts to licensed banks with the settlement bank of the Stock Exchange of Moldova and the National Depositary of Securities of Moldova, applicants shall submit, additionally to documents provided in item 4.1 of this Regulation, the following documents:
a) copy of the license issued by the National Bank of Moldova to conduct financial activities;
b) copy of the license to conduct activities in the securities' market (for banks conducting broker or dealer activity) issued by the National Commission of Financial Market.
(Item 7.4. *amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)*

7.4.1 To open Loro accounts of licensed banks with the settlement bank that makes settlements related to the operations with bank cards, applicants shall submit documents provided in item 4.1 of this Regulation and the NBM license for financial activities.
(Item 7.41. *amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)*
(Item 7.41. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

7.5. Loro accounts to foreign banks shall be opened upon submission of the following documents:
a) application for account opening (attachment no. 1);
b) Card of specimen signatures and stamp where the patter of the signature and stamp Card shall be duly coordinated by parties paying due consideration to requirements provided in item 15.2;
c) excerpt from the bank register or the document confirming existence of relevant license to conduct banking activities issued by the banking supervisory body legally empowered to act so in the origin country of the relevant bank;
d) copies of documents of establishment (establishment act, charter, regulation, etc.);
e) copy of the identity card of the person submitting documents for account opening.
(Item 7.5. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 7 amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)

8. Opening of deposit accounts to legal entities
8.1. To open deposit accounts, resident legal entities shall upon the case, submit the documents provided in item 4 of this Regulation.
(Item 8.1. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

8.2. To open deposit accounts, non-resident legal entities or representative offices in the territory of the Republic of Moldova of non-resident entities shall, upon the case, submit the documents provided in item 5 of this Regulation.
8.3. To open deposit accounts to licensed banks (in case such account is opened with banks other than the NBM) or foreign banks, applicants shall submit the documents provided in item 7.3 and item 7.5 of this Regulation.
(Item 8.3. amended by the Decision of the Council of Administration of the NBM no. 145 of 31.07.2008, in force on 16.09.2008.)

9. Peculiarities of opening accounts to certain persons
9.1. To open accounts, the State / territorial Treasury shall submit the documents provided in item 4.2 of this Regulation.
(Item 9.1. amended by the Decision of the Council of Administration of the NBM no. 35 of 05.02.2009, in force on 25.03.2009.)

9.2. Public institutions shall, upon account opening, submit the documents provided in item 4.2 of this Regulation, as well as the authorization issued by the Ministry of Finance of the Republic of Moldova, in accordance with provisions of normative acts in force.
(Item 9.2. amended by the Decision of the Council of Administration of the NBM no. 38 of 16.02.2006, in force on 24.02.2006.)

9.3 Investment funds shall open accounts as in accordance with provisions stipulated in item 4.1 of this Regulation. Investment funds shall, upon account transfer to fiduciary manager under fiduciary administration, submit to the bank the following documents:
a) investment fund's request to transfer current account to fiduciary manager under fiduciary administration (free pattern);
b) Signature and Stamp Card of fiduciary manager;
c) signature and stamp Card of fund's depository;
d) copy of fiduciary manager's license to conduct activities related to fiduciary administration of investments.
(Item 9.3. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

9.4. To open accounts to branches, representative offices or other structural subdivisions of resident legal entities that are allowed to have accounts as in accordance with the legislation of the Republic of Moldova, applicants shall, additionally to documents provided in item 4.1 and item 4.2 of this Regulation and upon the case, submit the legal entity's request for account opening, which shall provide the list of transactions authorized to be conducted in / from such account by the relevant subdivision and its business office.
9.5 Election candidates shall open accounts with the note „Election fund", for the period of local/parliamentary elections, upon the submission of the following documents:
a) application for account opening;
b) copy of the decision of the Circumscription Election Council (in case of local elections) or that of the Central Election Committee (in case of parliamentary elections), regarding the registration of the election candidate;

c) Signature and Stamp Card;
d) copy of the identity card of the person submitting documents for account opening.
(Item 9.5. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 9.5. included by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

CHAPTER III
OPENING OF ACCOUNTS TO INDIVIDUAL ENTREPRENEURS AND TO INDIVIDUALS PERFORMING OTHER TYPE OF ACTIVITY

10. Opening of current accounts to enterprises under status of individual and resident individuals conducting entrepreneurial activity
(Item 10 amended by the Decision of the Council of Administration of the NBM no.67 of 17.04.2008, in force on 31.05.2008.)

10.1. To open current accounts, individual entrepreneurs registered, as in accordance with the legislation in force, at the State Registration Chamber, shall submit the following documents:
a) application for account opening (Attachment no.1);
b) Signature and Stamp Card;
c) copy of the certificate of fiscal code assignment or copy of documents recognized as such;
d) copy of the excerpt from the State Register of individual entrepreneurs issued by the State Registration Chamber (Attachment no.5);
e) copy of the identity card of the person submitting documents for account opening.
[Item 10.1 amended by the Decision of the Council of Administration of the NBM no.96 of 23.04.2009, in force on 22.06.2009]
[Item 10.1 amended by the Decision of the Council of Administration of the NBM no.67 of 17.04.2008, in force on 31.05.2008]

10.2. To open current accounts, individual entrepreneurs that are, as in accordance with the legislation in force, registered at other state authorities, shall submit the following documents:
a) application for account opening (Attachment no.1);
b) Signature and Stamp Card. In event the stamp is missing, the Card shall provide specimens of signatures;
c) copy of the certificate of fiscal code assignment or copy of documents recognized as such (for persons issued such document, as in accordance with the legislation in force);
d) copy of documents confirming state registration or copy of documents allowing performance of such activities;
e) copy of documents of establishment, for persons holding such documents;
f) copy of the identity card of the person submitting documents for account opening.
(Item 10.2. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 10.2. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

11. Opening of current accounts to resident individuals performing other types of activity

11.1. To open current accounts, resident individuals performing other types of activity shall submit the following documents:

a) application for account opening (Attachment no.1);

b) Signature and Stamp Card;

c) copy of documents allowing performance of such activities or the copy of the of the excerpt from the State Register, issued by the entity responsible for state registration (for persons who according to the legislation hold such document) (Attachment no.5).

d) copy of the certificate of fiscal code assignment or copy of documents recognized as such (for persons who according to the legislation hold such document);

e) copy of the identity card of the person submitting documents for account opening.

[Item 11.1 amended by the Decision of the Council of Administration of the NBM no.258 of 28.12.2010, in force on 02.07.2012]

[Item 11.1 amended by the Decision of the Council of Administration of the NBM no.96 of 23.04.2009, in force on 22.06.2009]

11[1]. Opening of deposit accounts

To open a deposit account, the individual entrepreneurs and the individuals performing other type of activity shall submit, upon necessity, the documents provided for under item 10 or 11 of this Regulation.

(Item 111 included by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

CHAPTER III[1]
OPENING OF ACCOUNTS TO INDIVIDUALS NOT PERFORMING ENTREPRENEURIAL ACTIVITY OR OTHER TYPE OF ACTIVITY

(Chapter III included by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

12. Opening of current accounts to resident and non-resident individuals not performing entrepreneurial or other types of activity

12.1 To open current accounts, resident and non-resident individuals not performing entrepreneurial or other types of activity shall submit the following documents:

a) application for account opening (Attachment no.1);

b) copy of the identity card of the account holder.

12.1[1] In the event of opening the current account for resident and non-resident individuals not performing entrepreneurial activity or other type of activity, the authorized person shall submit the following documents:

a) request for account opening (Attachment no.4);

b) duly notarized copy of the identity card of the account holder;

c) copy of the identity card of the person authorized to submit the documents for the account opening.

(Item 12.11. included by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

12.2. To open current accounts, non-resident individuals not performing entrepreneurial or other types of activity or non-resident enterprises under status of individual not holding taxable objects / fiscal commitments in the territory of the Republic of Moldova shall submit the documents indicated in item 12.1.
12.3. The signature of the account holder shall be applied on a form issued independently by the bank in the presence of the bank executor responsible for account opening.
12.4. Accounts opening for persons who are 14 years of age, as well as for persons with limited / no competence, as well as account administration shall be conducted by parent or tutors (curators), as in accordance with the provisions of the legislation in force.
(Item12.4. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

12.5. In case of opening a current account, the minor over the age of 14 years, in order to dispose of the funds, to the extent permitted by law, shall submit the documents referred to in item 12.1 and if the minor is under guardianship - a written consent of the guardian or guardianship authority shall be also submitted.
[Item12.5 in the wording of the Decision of the Council of Administration of the NBM no.258 of 28.12.2010, in force on 02.07.2012]

13. Opening of deposit accounts
(Item 13 amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)
(Item 13.1. excluded by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

13.2. To open deposit accounts, resident and non-resident individuals not performing entrepreneurial activity or other types of activity shall submit the documents indicated in item 12.1. or 12.11.of this Regulation.
(Item 13.2. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

Chapter IV
SUBMISSION OF DOCUMENTS UPON ACCOUNT OPENING

14. Requirements towards submission of documents
14.1. Applications for account opening submitted by legal entities, representative offices in the Republic of Moldova of non-resident legal entities, individual entrepreneurs and individuals performing other types of activity shall be signed by the manager and the chief accountant of account holder. In event there is no position of chief accountant provided within the staff of account holder, signatures shall be applied as in accordance with the legislation in force.
(Item 14.1.amended by Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

14.2. Applications for account opening submitted by individuals not performing entrepreneurial activity or other types of activity shall be signed by account holder or authorized person.
14.3. In the event of opening more accounts with the same branch or with the central office of the bank, the account holder may submit a single application form for account (accounts) opening.
In case of the supplementary account or accounts opening with the same branch or with the central office, the account holder shall compulsorily submit for each account the following documents:
- application for account (accounts) opening;
- copy of the identity card of the person submitting documents for account/ accounts opening.
The simultaneous opening of several accounts with one and the same branch, or with the central office of the bank, may be carried out through a request and the copy of the identity card of the person submitting the documents for accounts opening.
(Item. 14.3.amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

14.4. In event of account opening/modifying/closing by a person authorized to act so through legal acts (proxy, power of attorney, etc.), the notary authenticated act or the copy of the notary authenticated act certifying this person's powers to submit the documents for opening/modifying/closing of relevant accounts shall be presented.
Individuals not performing entrepreneurial activity or on behalf of which the account was opened by authorized person shall, upon their first presenting at the bank, submit original identity cards and apply the specimen of their signatures on a form independently elaborated by the bank in the presence of bank responsible executors.
(Item 14.4. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)
(Item 14.4. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

14.5. The bank shall request, while opening an account, as well as during the maintenance thereof in its records, the submission of documents additional to those provided for by the Regulation or the substitution of some of these documents, following the modifications further operated on the legislation. The bank shall independently establish internal procedures with a view of ensuring the renewal of the documents submitted upon the opening /modification of accounts (maintained in legal records) with expired validity.
(Item 14.5. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

14.6. Legal addresses of account holders upon account opening shall be considered as follows:
a) for legal entities, representative offices in the Republic of Moldova of non-resident legal entities, individual entrepreneurs – the central office (address) as indicated in:
- excerpt for the State Register issued by the entity responsible for state registration;

- documents confirming state registration;
- documents allowing performance of entrepreneurial activities.

b) for individuals performing other types of activity – the address as indicated in the document providing for the activity practice;

c) for individuals not performing entrepreneurial activity or other types of activity – the domicile address as indicated in the identity card for resident individuals and the address as indicated in the application for account opening for non-resident individuals.

[Item 14.6 amended by the Decision of the Council of Administration of the NBM no.258 of 28.12.2010, in force on 02.07.2012]

[Item 14.6 amended by the Decision of the Council of Administration of the NBM no.67 of 17.04.2008, in force on 31.05.2008]

14.7. Documents elaborated by, or in common with, competent authorities of foreign states shall be subject to further legalisation at the Embassy of the Republic of Moldova accredited for the relevant foreign state or, as exception, at the Department of Consular Affairs of the Ministry of Foreign Affairs and European Integration of the Republic of Moldova. Mentioned documents may be submitted without legalization/apostille is such possibility is provided in international treaties (agreement, treaty, convention etc.) signed by the Republic of Moldova.

[Item 14.7 amended by the Decision of the Council of Administration of the NBM no.258 of 28.12.2010, in force on 02.07.2012]

[Item 14.7 amended by the Decision of the Council of Administration of the NBM no.301 of 29.11.2007, in force on 28.12.2007]

14.8. Documents submitted by non-residents in foreign languages shall be subject to translation in the state language and legalization as according to the legislation in force of the Republic of Moldova.

14.9. Documents submitted upon account opening, as well as other relevant documents (confirmations of fiscal authorities on account recording, account modification, etc.) shall be filed in the account holder's legal record. The Signature and Stamp Card shall be kept at the bank according to the internal procedures. The modifications made in the above-mentioned documents shall be submitted to the bank in a way similar to those submitted previously and shall be filed in the account holder's legal record.

(Item 14.9. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

(Item 14.9. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

15. Signature and Stamp Card

15.1. At the discretion of the account holder, signature specimens shall be applied on Signature and Stamp Card (hereinafter Card) by the authorized persons in the presence of the bank's responsible person or shall be presented legally notarized.

(Item 15.1. amended by the Decision of the Council of Administration of the NBM no 96 of 23.04.2009, in force on 22.06.2009.)

(Item 15.1. amended by the Decision of the Council of Administration of the NBM no.145 of 31.07.2008, in force on 16.09.2008.)

(Item 15.1. amended by the Decision of the Council of Administration of the NBM no.67 of 17.04.2008, in force on 31.05.2008.)

15.1[1]. In case the signatures specimens are applied on Card at the bank, this shall be done in the presence of the bank's responsible person, which is authorized according to its internal procedures.
(Item 15.11 included by the Decision of the Council of Administration of the NBM no. 96 from 23.04.2009, in force on 22.06.2009.)

15.1[2]. It is allowed that signature specimens of the persons empowered to apply the first and the second signature to be authenticated by the bank's responsible person without requiring every time the presence of the empowered persons of the account holders, in case the bank has already signature specimens of these persons and their authenticity is of no doubt.
(Item 15.12 included by the Decision of the Council of Administration of the NBM no.96 of 23.04.2009, in force on 22.06.2009.)

15.2. The Card shall mandatory include the following elements:
a) complete name of account holder;
b) fiscal code of account holder;
c) address of account holder;
d) telephone / fax numbers of account holders;
e) name and surname of persons empowered, as in accordance with the legislation in force and documents of establishment, to administrate accounts and apply signatures on payment and cash documents;
f) specimens of signatures of persons indicated in letter e);
g) action term of the provisional right of authorized persons to apply the first or second signature;
h) specimen of account holder's stamp/stamps to be applied on payment and cash documents (for persons holding stamp according to the legislation);
i) date, month, year, stamp of account holders and signatures of authorized persons according to legislation.
The bank shall independently establish relevant parameters upon Card elaboration.
(Item 15.2.amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 15.2. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

15.3. The right to apply the first and second signatures belongs to persons authorized to act so in accordance with the legislation in force.
15.4. In case that the staff of legal entities, of representative offices in the Republic of Moldova of non-resident legal entities, of individual entrepreneurs and individuals performing other types of activity does not provide other persons empowered to apply the second signature, the bank shall be submitted the Card providing only the specimen signature of manager or authorized person (specimens of both signatures).

(Item 15.4. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

15.5. In event that the person empowered to apply the signature is substituted or the specimen signature is modified, the new Card of specimen signatures of persons authorized to apply the first and the second signature shall be submitted and the previous Card shall be rendered void. The annulled Card shall be kept in the legal file on account opening together with a relevant note.
(Item 15.5. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

15.6. In case that an additional person authorized to apply signature is included, the bank shall submit only the Card on which the signature of the respective person shall be applied. This Card shall be kept together with the Card submitted to the bank upon account opening. The first Card shall indicate the number of account holder's existent cards.
(Item 15.6. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

15.7. Authorization given to a person to apply the first or second signature or provisional substitution of an authorized person implies additional submission of a card providing the signature of that relevant person and his/her authorization term and of a copy of the document confirming that person's position and right of signature. The first card shall bear the number of account holder's existent cards.
(Item 15.7. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

15.8. The bank may request delivery of additional card copies according to internal normative acts, as for example in the event account holder has more accounts, if such necessity results from placement conditions of bank operation sectors.
(Item 15.8. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

Chapter V
MODIFICATION AND CLOSING OF ACCOUNTS

16. Modification of accounts

16.1. Accounts shall be modified in the following situations:
- modification of account holder's name (personal data), organizational and legal forms;
- modifications resulted from modification of Chart of Accounts and Bookkeeping of licensed banks of the Republic of Moldova;
- modification of numeric code of currency in which the account was opened;
- other situations as provided by the legislation in force.

(Item 16.1. amended by the Decision of the Council of Administration of the NBM no. 35 of 05.02.2009, in force on 06.03.2009.)

16.2. The bank management shall have the right to independently approve decisions on account modification in events of modification of the Chart of Account and Bookkeeping. The bank shall duly inform account holders about such modifications within 30 days prior effective modification.
16.3. To modify accounts in event of liquidation of legal entities, representative offices in the Republic of Moldova of non-resident legal entities, individual entrepreneurs, liquidation commissions / receivers shall submit to the bank the following documents:
- decision of the relevant authority with regard to liquidation, which shall provide the liquidation commission / receiver action term;
- signature and stamp Card of the liquidation commission / receiver;
(Item 16.3. amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)
(Item 16.3. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

17. Conventional closing of accounts
17.1. Opened accounts shall not be closed on grounds of absence of transaction in / from account. To avoid infringement of account holder's interests and if no violation of contractual commitments arises, accounts, within which no transactions have been long conducted (2 years), might be conventionally closed following bank management decision. In case account holders suspend conducted activity, accounts shall be conventionally closed based on requests placed following decisions of founders / associates or relevant legally authorized bodies.
17.2. Balances in such accounts shall be consolidated in a separate centralized account. The Register of Conventionally Closed Bank Accounts kept according to the legislation in force shall be duly filled in
as to provide as follows:
a) name of account holder;
b) account number and name;
c) account balance;
d) initial date of account opening;
e) date of account conventional closing;
f) other data following management decision.
A relevant entry shall be made in the Register of Opened Analytical Accounts.
(Item 17.2. amended by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

17.3. Centralized account shall be opened for same synthetic accounts. The numbers of conventionally closed accounts shall not be assigned to other opened accounts. In event of definitive closing of conventionally closed accounts, relevant entries shall be made in the Register of Conventionally Closed Bank Accounts.
17.4. Accounts within which transactions are suspended or funds are seized as in accordance with the legislation in force shall not be subject to conventional closing.
17.5. In case the operations on the conventionally closed account are resumed, a new account shall be opened for the account holder upon its request, while the conventionally closed account shall be closed as provided for by this Regulation.

(Item 17.5. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

18. Closing of accounts

18.1. Accounts shall be closed as follows:

a) based on the request of the account holder /authorized person;

b) based on the decision of founders /establishment bodies of legal entities, representative offices in the Republic of Moldova of non-resident legal entities, individual entrepreneurs, or as in accordance with the provisions of establishment documents;

c) based of court decision;

d) credit reimbursement / deposit returning;

e) other situations provided by the legislation in force.

(Item 18.1. amended by the Decision of the Council of Administration of the NBM no. 67 from 17.04.2008, in force on 31.05.2008.)

18.2. Accounts within which transactions are suspended or funds are seized as in accordance with the legislation in force shall not be subject to closing.

18.3. Upon closing of current/deposit accounts funds shall be transferred/returned to holders,

authorized person, their legal successors or other legally authorized persons.

(Item 18.3. amended by the Decision of the Council of Administration of the NBM no. 301 of 29.11.2007, in force on 28.12.2007.)

18.4. Provisional accounts shall be closed as in accordance with the legislation in force following relevant balances' transfer to current accounts or following return of funds if no shares were issued or no enterprise was formed.

18.5. Number of closed accounts shall not be assigned to other accounts.

18.6. Upon account closing, legal records on account opening shall be maintained in the bank archive as in accordance with the legislation in force and the organization procedures of archiving work.

Chapter VI
FINAL PROVISIONS

19. The scope of this Regulation, except those mentioned in the Chapter V, shall not cover the accounts opened as in accordance with the Regulation on Opening and closing of accounts with banks of the Republic of Moldova, approved by the Decision of the Council of Administration of the National Bank of Moldova no.415 of 30 December 1999 and including further amendments and completions.

(Item 19 amended by the Decision of the Council of Administration of the NBM no. 336 of 10.11.2005, in force on 18.11.2005.)

19.1 Attachments 1 and 4 to this Regulation may be adjusted, upon necessity, with additional provisions, according to the bank's internal procedures.

(Item 19.1 amended by the Decision of the Council of Administration of the NBM no. 96 of 23.04.2009, in force on 22.06.2009.)

(Item 191 included by the Decision of the Council of Administration of the NBM no. 67 of 17.04.2008, in force on 31.05.2008.)

- **Regulation on Foreign Exchange Entities "Recommendations on elaboration of programs on prevention and combating of money laundering and terrorism financing by foreign exchange offices and hotels"(Attachment No.28)**

Chapter I. General provisions

1. The subjects of the present Recommendations are the foreign exchange offices, as well as the hotels which, according to the licenses of the National Bank of Moldova, have foreign exchange bureaux, within the context of the activity of these foreign exchange bureaux.

2. The foreign exchange bureaux of licensed banks, acting as subdivisions of banks, fall under the provisions of the Recommendations on the Elaboration by the Banks from the Republic of Moldova of Programs on Prevention and Combating Money Laundering and Terrorism Financing, approved by the decision of the Council of Administration of the National Bank of Moldova No.94 as of April 25, 2002, with further modifications and completions.

3. Each foreign exchange office, hotel shall elaborate and implement its own program on prevention and combating money laundering and terrorism financing (hereinafter – the PCMLTF Program) with the view of protecting against the implication in operations related to money laundering and terrorism financing, of promoting ethical and professional standards in the respective sector, of preventing foreign exchange offices and foreign exchange bureaux of the hotels from being used, intentionally or unintentionally, by organized criminal groups or their associates in the process of money laundering and terrorism financing.

4. While elaborating the PCMLTF Program, the foreign exchange office, the hotel shall be obliged to comply with the provisions of the Law on Prevention and Combating Money Laundering and Terrorism Financing No.190-XVI of July 26, 2007 (hereinafter - the Law No.190-XVI of July 26, 2007), of the present Recommendations, of other normative acts in the field of the prevention and combating money laundering and terrorism financing and shall adjust it under the specific of its activity.

5. The purpose of these Recommendations is to guide the foreign exchange offices and the hotels on the elaboration of its own PCMLTF Programs. These Recommendations establish general principles, which the foreign exchange office, hotel shall follow, while developing in detail its own PCMLTF Program, taking into account the pecularities of its activity.

6. The administrator of the foreign exchange office, the administrator of the hotel, responsible for the activity of the foreign exchange bureau by the hotel, shall be responsible for the elaboration, updating and ensuring the implementation of an adequate

internal Program on prevention and combating money laundering and terrorism financing.

Chapter II. General provisions on PCSBFT Program

7. The PCSBFT Progarm elaborated by the foreign exchange office, the hotel shall provide for, but shall not be limited to the following:

a) management's duies;

b) policies and procedures on the client's identification and verification of his identity ("know your customer" rules);

c) procedures on the record keeping and the keeping of the information;

d) procedures on ensuring the compliance of the activity with the requirements of legislation in the field of the prevention and combating money laundering and terrorism financing and to the PCMLTF Program;

e) procedures on reporting in the field of the prevention and combating money laundering and terrorism financing;

f) the procedure of collaboration with the Center for Combating Economic Crimes and Corruption (hereinafter – CCECC) and with other competent authorities.

Chapter III. The management's duties

8. The management of the foreign exchange office, of the hotel is responsible at least for:

a) the nomination of the responsible person for ensuring the compliance of the internal policies and procedures with the legislation requirements in the field of the prevention and combating money laundering and terrorism financing, for ensuring the permanent implementation of the PCMLTF Program (hereinafter – responsible person);

b) the monitoring of the performance process of implementation of the provisions of the legislation in the field of the prevention and combating money laundering and terrorism financing and of the internal the PCMLTF Program;

c) the ensuring of undertaking of the necessary measures in order to eliminate the shortcomings/infringements identified in the field of the prevention and combating money laundering and terrorism financing.

Chapter IV. "Know your customer "rules

9. The foreign exchange office, the hotel shall elaborate policies and procedures of identification and verification of the client's identity, which shall include at least the following:

a) the cases when the individual shall be indentified and whose identity shall be verified;

b) procedures of identification and verification of the individuals' identity;

c) the procedure of registering of the information about individuals, including information about beneficial owners.

10. The PCMLTF Program shall specify the cases (at least those mentioned under item 96 of the Regulation on Foreign Exchange Entities) and the procedures of identification and verification of the identity of individuals that directly perform operations, as well as of individuals on behalf of whom the operations shall be performed (beneficial owners).

11. The foreign exchange offices, the hotels shall elaborate and implement internal procedures able to determine the cases when the transaction shall be performed by the individual through several operations (for instance, the individual requires to carry out through one or more operational windows (one or more branches) of the foreign exchange transaction through more operations, the total amount of which is equal or exceeds the equivalent of 50000 Moldovan Lei etc.).

12. In the event that according to the legislation individuals shall be identified, the operations can not be performed, if the individuals' identity is not verified.

13. All the necessary information shall be obtained for an adequate identification of the individual, including information of the beneficial owner. For this purpose, it shall be find out at least: the name and surname of the individual; the date and place of birth; the domicile/ residence; the identification number; the type of the identity document.

14. With the view of verifying the identity of the individual who directly carry out the operation, the cashier of the foreign exchange office (its branch), of the foreign exchange bureau of the hotel shall require from the individual the submission of an identity document, provided under item 97 of the Regulation on foreign exchange entities. The identity documents shall be submitted in original form and shall be valid on the date of submission.

15. The identification and the verification of the identity of the individual who directly carry out the operation shall include at least:

a) the obtaining and the verification of the information regarding the individual's identity;

b) the verification of the correspondence of the photo from the identity document with the individual who submitted this document.

16. In the event that operation is carried out on the name of another individual (the beneficial owner), the beneficial owner shall be identified also and reasonable measures shall be undertaken in order to verify his identity. For this purpose, additionally to the identity documents of the authorized person, the cashier of the foreign exchange office (its branch), of the foreign exchange bureau of the hotel shall require from the individual who directly carry out the operation also the valid power of attorney, legalized according to the procedure established by the legislation.

17. The identification and the verification of the identity of the beneficial owner shall include at least:

a) the obtaining and the verification of the beneficial owner's information from the power of attorney;

b) the verification of the existence in the power of attorney of the information about the number, date and place of issuing the power of attorney, as well as the information on the name and surname of the competent person who authentificated power of attorney thereof.

18. The cashier of the foreign exchange office (its branch), of the foreign exchange bureau of the hotel shall pay attention to the complex and unusual operations, shall obtain the information regarding the purpose of such operations and shall register the obtained information in order to make it available to the competent authorities.

19. The information about the identified individuals shall be registered in the documents that shall be drawn up by the cashier of the foreign exchange office (its branch), of the foreign exchange bureau of the hotel, at least in the foreign exchange bulletins, the Register of identified individuals. The minimum volume of the information that shall be registered in the mentioned documents shall be provided by the Regulation on foreign exchange entities.

20. The internal PCMLTF Program shall contain provisions related to the refusal of the cashier of the foreign exchange office (its branch), of the foreign exchange bureau of the hotel to perform the operation, in the event that the individual shall be identified, but the individual who directly performs the operation did not submit the identity document and, if applicable, the power of attorney, as well as when the obtained data and information are not authentic or veracious. Such circumstances shall be reported to CCECC, in accordance with Art.8 of the Law No.190-XVI of July 26, 2007.

Chapter V. Procedures on record keeping and the keeping of the information

21. The PCMLTF Program shall contain rules and procedures of recording and keeping the information regarding the individual's identity, including beneficial owner, and performed operations.

22. The rules and procedures related to the record keeping and keeping of the information on operations and identified clients shall include at least the following:

a) the object of the record keeping;

b) the content of the record keeping (registrations);

c) time of performing the registrations;

d) the terms of keeping the information and documents.

23. All operations performed by the foreign exchange office (including its branches), the foreign exchange bureau of the hotel, as well as the identified individuals are subject to the record keeping, in the context of the legislation on the prevention and combating money laundering and terrorism financing.

24. While describing the content of registrations in the PCMLTF Program shall be indicated:

a) all details related to the performed operations;

b) the types of identity documents /power of attorney, which shall be submitted by the idividuals and relevant data related to individuals.

25. While specifying the information mentioned under item 24 of these Recommendations, shall be indicated at least all the information related to the operations and identified persons, which is obligatory according to the Regulation on foreign exchange entities for drawing up the foreign exchange bulletin, taking into account the provisions of chapter IV of the present Recommendations.

26. The registrations related to the operation and identified individuals shall be done while performing operation and not later until the issuance of money funds to the individual.

27. The provisions of the PCMLTF Program shall stipulate the documents that shall be kept by the foreign exchange office (including its branch)/hotel based on the Law No.190-XVI of July 26, 2007, as well as shall establish the term of keeping the mentioned documents, which can not be less than 7 years after the operations are completed.

28. The documents that shall be kept include at least the documents related to record keeping of operations and identified individuals. While specifying the respective documents which shall be kept, at least documents provided by the Regulation on foreign exchange entities and documents in which information provided by item 18 of these Recommendations shall be listed.

29. The foreign exchange office, the hotel shall ensure that the documents and the information about the performed operations and identified individuals to be accessibile and available in time, upon request, to the CCECC and to other competent authorities.

Chapter VI. Procedures of ensuring the compliance of the activity with the legislation requirements on the prevention and combating of money laundering and terrorism financing and the PCSBFT Program

30. The foreign exchange office shall have special provisions related to the establishment and implementation of internal control procedures on the observance and implementation by the employees of the foreign exchange office (its branches) of the legislation in the field of the prevention and combating of money laundering and terrorism financing and the PCSBFT Program.

31. The hotel shall have special provisions related to the establishment and implementation of internal control procedures on the observance and implementation by the employees of the foreign exchange bureau and responsible persons for organizing and carrying out the activity of the foreign exchange bureau (hereinafter – employees of the

foreign exchange bureau of the hotel) of the legislation in the field of the prevention and combating of money laudering and terrorism financing and the PCSBFT Program.

32. The main elements of the internal control procedures on the observance and implementation of the legislation in the field of the prevention and combating of money laundering and terrorism financing and of the PCSBFT Program are the following:

a) the nomination of the responsible person for ensuring the compliance of the internal policies and procedures with the requirements of the legislation in the field of prevention and combating of money laundering and terrorism financing, for ensuring the permanent achievement of the PCSBFT Program;

b) an on-going training program of the staff in the field of the prevention and combating of money laundering and terrorism financing;

c) adequate procedures of rigurous selection of the staff and requirements for the employment of the staff in order to ensure its professionalism;

d) a program of performing the independent audit on the compliance of the activity of the foreign exchange office (including its branches)/hotel with the legislation requirements in the field of the prevention and combating of money laundering and terrorism financing and with the PCSBFT Program;

e) measures that shall be applied to the employees that do not observe the legislation requirements in the field of prevention and combating of money laundering and terrorism financing and the PCSBFT Program.

33. As a responsible person for ensuring the compliance of the internal policies and procedures with the legislation requirements for prevention and combating of money laudering and terrorism financing, for ensuring the permanent achievement of the PCSBFT Program, an employee who holds management functions shall be nominated.

34. The responsible person shall have at least the following attributions:

a) to organize the training for the employees of the foreign exchange office (including its branches) /foreign exchange bureau of the hotel within the framework of the training program in the field of the prevention and combating of money laundering and terrorism financing;

b) to provide consultation to the questions of the employees of the foreign exchange office (including of its branches) /foreign exchange bureau of the hotel, which occurred while achieving the PCSBFT Program;

c) to take a decision regarding the delivery of the special forms to the CCECC and other empowered authorities;

d) to organize the submission of the information to the CCECC and other empowered authorities in accordance with the legislation in the field of the prevention and combating of money laundering and terrorism financing;

e) to collaborate with CCECC and other empowered authorities;

f) to carry out the control on the observance by the employees of the foreign exchange office (including its branches) /foreign exchange bureau of the hotel of the provisions of the legislation and of the internal program for prevention and combating of money laundering and terrorism financing;

g) to test the employees' knowledge of the legislation requirements and the internal program for prevention and combating of money laundering and terrorism financing;

h) to perform other duties, in compliance with these Recommendations and internal documents of the foreign exchange office /hotel.

35. Within 3 working days after the nomination of the responsible person, the name and surname, his responsabilities limits, and their nature shall be communicated to the CCCEC and to the National Bank of Moldova.

36. The continuous training program of the staff in the field of the prevention and combating of money laundering and terrorism financing shall include all aspects related to the process of prevention and combating of money laudering and terrorism financing. The periodicity and the content of the training shall be adjusted to the necessities of the foreign exchange office/hotel. The trainings shall be organized simultaneously with the modification of the legislation or of the program for prevention and combating of money laudering and terrorism financing less than once a year.

The responsible person shall keep record of the organized trainings, performing the registering about the date and the subject of the training, the surname and name of the employees that have been trained.

37. The foreign exchange office, the hotel shall ensure that its employees involved in organizing and performing the currency exchange operations, including the new employed staff, shall have knowledge about:

a) the legislation in the field of the prevention and combating of money laundering and terrorism financing and PCSBFT Program;

b) their obligations in the field of the prevention and combating of money laundering and terrorism financing;

c) the name, the surname and the obligations of the responsible person.

38. While establishing the procedures of selection of the staff and the requirements in order to employ a personnel, its studies, the work experience in the economic field, the lack of criminal antecedents, the knowledge of the legislation in the field of the prevention and combating of money laundering and terrorism financing shall be taken into account.

The requirement on the observance of the legislation and of the internal program for prevention and combating of money laundering and terrorism financing shall be included in the functional obligations of each trained employee in organizing and performing the currency exchange operations.

39. The program of performing the audit on the correspondence of the activity of the foreign exchange office (including its branches)/hotel with the requirements of the legislation in force in the field of the prevention and combating of money laudering and terrorism financing and the PCSBFT Program (hereinafter - audit) shall provide at least who performs the respective audit, the periodicity (at least once a year) of audit performance, the audit objectives.

40. The audit may be performed both by the staff of the foreign exchange office/hotel responsible for the internal audit, as well as by an (external) independent auditor.

Chapter VII. Procedures on reporting in the field of the prevention and combating money laundering and terrorism financing

41. The foreign exchange office, the hotel shall have procedures on reporting to the competent authorities of operations suspected of money laundering and/or terrorism financing and of other operations /circumstances, of which reporting shall be performed according to the Law No.190-XVI of July 26, 2007. These procedures shall contain at least the following aspects:

a) the drawing up of the special forms (cases, procedures of drawing up and the delivery, etc.);

b) the time frame of reporting to the CCECC in accordance with the requirements of the Law No.190-XVI of July 26, 2007;

c) the report's confidentiality. The foreign exchange office (including its branch), the hotel and their employees are obliged do not communicate to the individuals who perform operations or to the third parties about the delivery of the information to the CCECC;

d) the keeping of the special forms and of other information of the empowered authorities.

42. While establishing the operations/circumstances subject to reporting according to the Law no.190-XVI of 26.07.2007, the cashier who performed the operation fills in the special form elaborated by the CCECC. While determining the doubtful character of the operation, the employees of the foreign exchange office (including of branches), of the foreign exchange bureau of the hotel shall use the guide book of doubtful activities and transactions (approved by CCECC).

43. The filled in special forms shall be submitted to the responsible person of the foreign exchange office/hotel. The submission of the special forms to the responsible person shall be reflected in the special register.

The responsible person shall take the decision on the delivery of the special forms to the CCECC. The delivery by the responsible person of the special forms to the CCECC shall be reflected in the special register.

44. The procedures shall provide the way of the delivery of the special forms to the CCECC, taking into account the CCECC requirements.

45. The foreign exchange office, the hotel shall keep the copies of the special forms and of other correspondence with the competent authorities. For this purpose shall be kept separate files that shall contain copies of the special forms, of other correspondence and all related information.

If something else is not provided by the legislation, the period of keeping the special forms shall not be less than the period establisherd for keeping the documents, on basis of which these special forms were filled in.

Chapter VIII. The procedure of collaboration with the CCECC and with other competent authorities

46. The foreign exchange office, the hotel shall respond completely and promptly to the requests of the CCECC and of other competent authorties on certain operations with individuals performed at present and in the course of the previous 7 years.

- **Regulation on measures to prevent and combat money laundering and terrorism financing on financial market on 21.10.2011**

Regulation on measures to prevent and combat money laundering and terrorist financing on financial market

I. General Provisions

1. Regulation on measures to prevent and combat money laundering and terrorist financing on the financial market (the Regulations) apply to professional participants in the financial market - reporting entities defined in art. 4 of Law no. 190-XVI from 26.07.2007 "On prevention and combating money laundering and terrorist financing" (hereinafter - the Law no. 190 of 26.07.2007).
2. Preventing and combating money laundering and terrorist financing presents a major task for the national economy and lead to increased confidence in the domestic financial system.
3. Activities at risk of money laundering and terrorist financing are:
1) complex and unusual transactions;
2) international financial transactions;
3) the application of information technology operations;
4) brokerage operations;
5) trust management operations;
6) accept savings deposits;
7) loans.
4. The main elements of the process of money laundering and terrorist financing are: 1) Placement - initial circulation of money or other income derived from criminal activity in order to change or place their initial shape to make them inaccessible to law enforcement;
2) investing - separation from sources of income derived from criminal activity through various financial transactions;
3) integration - the use of legitimate transactions to hide illegal income, making possible a return to criminal money.
5. Service reporting entity shall report Preventing and Combating Money Laundering in the Center for Combating Economic Crimes and Corruption (hereinafter - SPCSB) and National Financial Market Commission (hereinafter - NCFM) in accordance with law, on its work to combat and prevention of money laundering and terrorist financing on the financial market.
6. In developing their programs against money laundering and terrorist financing, reporting entities should take into account risks of money laundering and terrorist financing in order to minimize them. These risks are:
1) legal risk - the risk that the court decisions or contracts, in fact, are impractical and may adversely affect operations or the state reporting entities. In order to minimize legal risk reporting entities must carry out proper monitoring to identify individuals and businesses, as well as the beneficial owner. 2) image risk - risk related to money laundering and terrorist financing, involving

the possible loss of confidence by the occurrence of adverse publicity regarding business practices of reporting entities and the beneficial owner.
3) Operational risk - the risk of direct or indirect loss resulting from inadequate or failed internal processes, people or external events.
4) information technology risk - risk that can occur following the launch of new information technologies and developing existing ones, since they may create conditions favorable for money laundering activities and terrorist financing.

II. Responsibility

7. Reporting entities are responsible for the development, approval and enforcement of its program suitable for preventing and combating money laundering and terrorist financing, which depends on timely prevention and detection of suspicious transactions. Disposal of such a program is the most effective means by which a reporting entity may protect against involvement in transactions that may facilitate illegal activities and ensure compliance with applicable suspicious activity reporting.
8. Reporting entities are responsible for compliance with the legislation in force its activity in preventing and combating money laundering and terrorist financing.

III. Requirements for their programs to prevent and combat money laundering and terrorist financing

9. Own programs to prevent and combat money laundering and terrorist financing are policies and procedures, including rules on customer identification measures that promote ethical standards and professionalism in the nonbank financial sector and prevent the illegal actions involving the reporting entity, the intentionally or unintentionally, by criminal elements. Policies and procedures must ensure that financial transactions in a safe and prudent.
10. In developing programs for preventing and combating money laundering and terrorist financing, reporting entities should take into account this Regulation and to adapt their activity depending on the size, complexity, nature and volume of the reporting entity, customer list, the level of risk associated with different customers and operations carried out by them, taking into account the provisions of current legislation and accepted practice in this area.
11. Program reporting entity on preventing and combating money laundering and terrorist financing must be approved by the reporting entities and subject to revision whenever necessary, but not less than once a year.
12. Structure their programs to prevent and combat money laundering and terrorist financing on the financial market should provide at least the following components:
1) entities reporting obligations, which should include:
a) knowledge of circumstances high-risk customers;
b) knowledge of information sources to third parties;

c) approval of significant transactions of high-risk customers;
d) determining the sectors that may be at risk of money laundering and terrorist financing with the exact delineation of duties each subdivision aimed at preventing and combating money laundering and terrorist financing;
e) to ensure removal of nonconformities identified in preventing and combating money laundering and terrorist financing on the financial market;
f) putting in action of internal policies and procedures for preventing and combating money laundering and terrorist financing, including the determination of responsibility of employees at different hierarchical levels;
2) define the possible process of money laundering and terrorist financing depending on the particular features of the reporting entity;
3) customer identification measures (rules "know your customer");
4) procedures for verification and how to comply with the rules developed and the assessment of their effectiveness; 5) internal and external reporting procedures by the competent authorities of suspicious activities and operations; 6) methods of preparation and proper record keeping, and establishing access to them; 7) standards for employment and training programs for staff in customer knowledge, including procedures for selecting new employees.

IV. Customer identification measures

13. Reporting entities applying customer identification measures:
1) the stage of establishing business relations;
2) to carry out occasional transactions amounting to at least 50 thousand, as well as electronic transactions of at least 15 thousand, regardless of whether the transaction is performed through a single operation or several operations;
3) the existence of suspected money laundering or terrorist financing;
4) the existence of doubts about the veracity and accuracy of the identification data obtained. 14. Reporting entities identify the client and take appropriate measures based on risk for identity verification so as to have the information and certainty about customer ownership and control of its ways. 15. Reporting entities continuously monitor transactions or business relationships of the client, to ensure that they are consistent with the information and that are constantly updated. 16. Subjects were subjected to identification:
A) natural or legal person who holds an account with the reporting entity or those in whose name the account is maintained;
2) beneficial owners of transactions carried out by intermediaries-professionals;
3) any person or entity involved in a transaction may impose a significant risk or other risk image;
4) politically exposed persons.

17. Reporting entities must obtain information on the purpose and nature of the business relationship, complex and unusual transactions.
18. Reporting entities should develop clear policies and procedures for customer acceptance, including a description of the types of reviews that seem to impose an increased risk of the institution. In developing these policies state with a higher risk customers should be examined in a number of issues such as customer experience, country of origin, social position, business activities or other risk indicators. Customer acceptance procedures should include several stages depending on the customer's risk while focusing on high-income customers whose source is unclear or unidentified. Decisions to start, continue or terminate business relationships with customers with a degree of risk must be taken exclusively at senior levels of the reporting entity. It is important that customer acceptance should not restrict public access to financial services.
19. Reporting entities will have a policy and a systematic procedure to identify customers (whether permanent or casual, natural or legal persons or other legal arrangements) and the beneficial owner, the appropriate tools and independent verification of reliable sources of information about customers and about their transactions and shall not establish a business relationship until the client's identity is verified. Information on identifying customers and their beneficial owners will be updated whenever necessary.
20. To establish business relations reporting entities will comply with legal rules and regulations of NCFM in preventing and combating money laundering and terrorist financing by obtaining at least the following information:
1) If the customer - natural person:
a) name and patronymic, if any;
b) date and place of birth;
c) identification number or other unique indexes contained in an unexpired official identity document containing photograph of the holder (as eg passport, identity card, residence permit issued by the competent authorities of the Republic of Moldova and other identification documents); d) home address and / or residence;
e) telephone number, fax, e-mail address (if any);
f) citizenship;
g) occupation and, where appropriate, name of employer or nature of their work;
h) held important public office, as appropriate;
i) the name of the beneficial owner;
j) the purpose and nature of the relationship with the reporting entity;
k) signature.
2) If the customer - legal person:
a) name of the client;
b) the registered and / or address where business operations are carried out of the legal person;
c) telephone number, fax, e-mail address, if applicable;
d) state identification number (tax code);
e) documents of the original or certified copy, as amended and supplemented;

f) information on persons who, according to the articles of incorporation and / or decision of the statutory bodies, which are vested with the power to lead and represent the entity, and their powers; g) extract from state register of legal persons;
h) the nature and purpose of the business and its legitimacy;
i) the purpose and nature of the relationship with the reporting entity;
j) the name of the beneficial owner.
21. Reporting entities will identify the beneficial owner of his client and will take reasonable steps to verify the identity of the beneficial owner on the basis of risk, using relevant information or data obtained from reliable sources so as to know who is the beneficial owner. To identify and verify the beneficial owner will use the same procedures for identification and verification as to individuals. 22. The identification of beneficial owners of client reporting entities will take the following measures: 1) for individuals: if the account is opened on behalf of a person, reporting entities will determine whether the person working on its behalf (statement by the person on the beneficial owner). 2) for legal persons: reporting entities understand the nature of ownership and control mechanism over the legal entity and will use reasonable measures to verify the identity of beneficial owners. In order to establish compliance with these requirements should be individuals who hold positions of control, individuals who develop policy and legal entity that controls the natural person (based on the incorporation documents, extract from the Register of state etc.).
23. Customer identity verification is done based on official documents of the kind more difficult to fake or obtained by unlawful under a false name, such as identity documents issued by an official authority, including a photograph of the holder. Verification of information that can not prove with documents mentioned above will be accomplished by any suitable method, such as the confirmation date of birth, for example, birth certificate, passport, identity card, residence permit issued by the authorities of the Republic of Moldova, etc.., confirmation of residence address if the address does not match (for example, information from public authorities or other authorized person, etc..) client contact by phone, fax or e-mail (if any) to confirm the information submitted after opening the account, confirming the validity of identity documents with certificates of persons authorized by state and private records. 24. Reporting entities are required to verify the legal existence of the legal person, that if it is registered in the State Register of legal entities or, where appropriate, in a public register. Verification of customer information will be provided by any appropriate method, so that the reporting entity to ensure the veracity of this information. In this reporting entities will use at least the following ways: reviewing past financial reports, the use of independent information verification process, such as through public access (state registers) or private databases, an analysis to see if the client does not was or is in the process of bankruptcy or liquidation, obtaining reference entity against which the client had business relations, customer contact by telephone, via postal or e-mail, collating the

information presented on the website of the client or a visit to the address field of the legal person, and others.
25. If an individual is empowered on behalf of the customer to open account or transactions, the reporting entity to verify its powers, and will identify and verify the person using the same procedures for identification and verification as individuals.
26. When opening an account by an intermediary on behalf of one client or on behalf of several clients, reporting entities will apply for and obtain relevant information and documents about the identity of the intermediary and the beneficiary account of persons which it acts, as well as details of nature's empowerment. Reporting entities will accept the opening of such accounts only if they are able to identify both intermediaries and beneficial owners of funds. If the intermediary is not entitled to provide the necessary information on reporting entities, beneficiaries, they will not allow opening the account.
27. Reporting entities will have appropriate procedures to gather sufficient information from a client and beneficial owner thereof and will check the publicly available information to determine if the customer and beneficial owner thereof or not politically exposed person, and will regularly update information obtained at account opening, as the customer and beneficial owner thereof may subsequently become politically exposed person. It is necessary to ensure the agreement of the executive to establish or, where he later became the continuation of business relationships with politically exposed persons, determining the source of their goods and money and making a greater and permanent monitoring of the business relationship.
28. Reporting entities to initiate domestic and international electronic transactions used in this sense any available means to obtain and maintain at least the following information about the originator of the transaction: name, account number (or unique identification number), address (or code personal identification number, or date and place of birth). Participants reporting entities as intermediaries in electronic transactions are required to maintain at least the same information.
29. Reporting entities should adopt effective risk-based procedures for managing situations when the information necessary to carry out electronic transactions is not complete.
30. Reporting entities are obliged to refrain from establishing business relations, to terminate or refuse transactions where the acts have not been established to identify the person or entity or data and information obtained are inaccurate or incorrect, or there suspicion of money laundering and / or terrorist financing. Reporting entities in case of circumstances described above, as appropriate, shall inform the authorized body in accordance with Law no. 190 of 26.07.2007.

V. Precautions

31. In implementing the provisions of Law no. 190 of 26.07.2007, reporting entities will determine the category of customers and transactions that have a higher degree of potential risk based on risk indicators that can be considered, where appropriate, the assets or income, type of services requested, the type customer activity, economic circumstances, the reputation of the country of origin, the admissibility of the explanations given by the client, default levels by type of transaction. 32. Reporting entity must implement enhanced security measures if the person or entity involved in the operation is not present personal identification and the performance (recording)

transactions involving the legal person resident in the area off-shore and take the following steps:
1) ensuring that the person's identity is established through documents, data or information;
2) verification and additional certification documents provided;
3) ensuring that the first payment of operations is carried out through an account opened in the name of the person.
33. If the natural or legal person fails to appear personally identifying, and time of the transaction (relationship by correspondence or by telephone, e-mail, Internet or other electronic means), reporting entities will apply the relevant customer identification procedures and monitoring standards equal to those available to customers present themselves to the reporting entity (eg., by using digital signatures, biometric methods, session key, etc..).
34. If such relationships, reporting entities will perform the following steps:
1) Certification documentation submitted reporting entity, including a specimen signature; 2) request additional documents to complete the file according to customer identification procedures; 3) application of protective measures to ensure the authenticity of documents submitted to the reporting entity, if available in electronic form;
4) client acceptance procedures provide application using information from another reporting entity; 5) establish and maintain a means of contact with the customer, independent of how the transactions are carried away customers
35. The performance (recording) transactions involving the legal person resident in the area offshore legal entity shall disclose the following information:
1) serial number and date of issuance of identity, address and other data necessary to identify the representative of legal person;
2) the act of representation (buy, order, statement of its statutes, etc..), Certified in accordance with the legislation, which will contain the name and title of representative of the legal person; 3) legal identification (the act of recording companies), address and other data necessary to identify the legal entity;
4) documents confirming the legal entity identification founders, until the establishment of the founders - natural persons.
36. Particular attention should be paid for non-customers and clients or beneficial owners who receive funds from abroad, while. Taking into account the legislation in force.
37. For customers and transactions with a high potential risk determined under paragraph 36, while taking into account the provisions of art. 6. (6) and Art. 14 of Law no. 190 of 26.07.2007, reporting entities will establish additional measures of knowledge of customers, which may include the following but not limited to:
1) approval of a higher level of starting or continuing business relationships with such customers and / or to carry out these transactions, especially above a predetermined level;
2) requirement that the first transaction to be carried out through an account opened with a reporting entity, subject to requirements to prevent and combat money laundering and terrorist financing; 3) increased monitoring and ongoing business relationships;
4) appropriate measures to establish / verify source of funds;
5) implementation of appropriate information systems management information to allow timely provision of information necessary for identification, analysis and effective monitoring of these transactions, including taking measures to inform the competent body

according to law. Information systems implemented should highlight at least the lack or inadequacy of appropriate documentation to start the business relationship, unusual transactions conducted through the customer's account and aggregate state of all client transactions with the reporting entity;
6) the need for individuals responsible for coordination of service delivery and meet customer pays attention to information from third parties in connection with these people;
7) for individuals, verification of employment, public position held (if applicable).
38. In cases where there is low risk, reporting entities may apply simplified measures of knowledge of customers who are set so as to enable them to respect all legislation in force, these regulations and other laws.
39. Simplified measures should include knowledge of customers to obtain sufficient information about customers, ensuring the legitimacy of the reporting entity customer classification category of customers with low risk of money laundering and terrorist financing under the laws, monitoring their operations to detect transactions suspect and establish a procedure to allow upgrading and appropriateness of the information held about customers so that the reporting entity to ensure that they remain in that class of customers. VI. Procedures for ongoing monitoring of accounts and transactions
40. Procedures for ongoing monitoring of accounts and transactions include:
1) determining the ordinary operations (specific) customer;
2) monitoring operations to determine compliance client ordinary operations (specific) for the client or clients in similar categories;
3) Availability of adequate management information systems to present managers and pooled analysis of information from all systems to identify, analyze and effectively monitor customer accounts with degree of risk;
4) identification of suspicious transactions reporting entity, including occasional or potential sources and means used by the client in these operations.
41. Reporting entities can effectively control and can minimize their risk only if they understand their clients work correctly, causing ordinary operations (specific) client. Without knowledge of these activities, reporting entities may commit errors in reporting suspicious transactions to authorities. 42. For all accounts, reporting entities will have systems to detect suspicious activities or persons. This can be done by establishing limits for a particular group or category of accounts. Special attention will be given to transactions that exceed these limits and transactions involving the client performing unusual or suspicious. These may include transactions that do not appear to have economic or commercial sense, or involving large sums of money are not normal or expected transactions specific customer. 43. In order to carry out proper monitoring of customers and their transactions should request supporting documents confirming the legality of one or other transactions (for example: contracts, invoices, shipping documents, certified payroll, tax reports, activity reports, etc.. as appropriate). 44. For customers with a potential risk category increased need to monitor all transactions conducted through their accounts. Each reporting entity shall determine the persons who fall into this category, taking into account the type of customer (individual or legal entity), its history, country of origin, important public position or position held, the specific activity by customer, source of funds as appropriate , other indicators of risk.
45. For customers with a high potential risk, reporting entities will have internal control systems that will highlight the lack of timely or adequate documentation insufficient to

account opening, unusual transactions conducted through the customer's account, will pay more attention to information from third parties about these people, will provide the executive with the current situation with risk monitoring client accounts. High value transactions such customers will approve the executive body.

VII. Keeping records about the activities and transactions of individuals and legal and beneficial owner

46. Reporting entities will have procedures for holding and retaining information, which will include the following:

1) maintain a register of identified customers for a period of at least five years (which will include at least: the names of client tax code, account number, date of opening, closing date);

2) keep records of all transactions for at least five years after the transaction occurred; 3) keeping the archived form of accounts and records on customer identification, including primary documents and business correspondence within at least five years after their accounts were closed.

47. Reporting entities will ensure access to documents and information the competent bodies regarding the identification and verification of customers, the beneficial owner, and on monitoring customer transactions, including documents, in case of request. VIII. System to ensure compliance of programs to prevent and combat money laundering and terrorist financing on financial market

48. To ensure compliance with their programs to prevent and combat money laundering and terrorist financing, the reporting entity will have:

1) Special provisions related to internal control system to ensure continued compliance to minimize risks of money laundering and terrorist financing. These should include, but are not limited to the following:

a) procedures for identifying suspicious transactions and limited; b) monitoring customers who made large amounts of nonspecific business operations. To this end the reporting entity carry out investigations on clients belonging to the group
subject to monitoring;

c) monitoring the activities related to accounts with the reporting entity;

d) internal procedures for reporting suspicious transactions.

2) A service audit of the reporting entity to verify compliance program to prevent and combat money laundering and terrorist financing, personnel provided by the reporting entity or an independent person, whose functions include at least: a) an independent assessment of internal policies and procedures of the reporting entity, including compliance with legislation;

b) monitoring staff activity;

c) testing of transactions if necessary;

d) warning the governing body on the results of verification.

3) A person responsible for making decisions, assigning responsibility to ensure that the reporting entity's policies and procedures are in accordance with the requirements and regulations on money laundering and terrorist financing.

Responsible person contributes to the implementation of national program to prevent and combat money laundering and terrorist financing, for this purpose, is entitled at least the following tasks:

a) the reporting entity provides consulting staff on questions arising during the implementation of the program to prevent and combat money laundering and terrorist financing, including customer identification and examination of the reporting entity and risk assessment of money laundering proceeds from illegal (criminal) and terrorist financing; b) make decisions based on the information received;
c) the reporting entity organized personnel training in countering money laundering problems of illegal (criminal) and terrorist financing;
d) take measures SPCSB presentation of information in accordance with relevant legislation; e) at least once a year submit in writing the governing body of the reporting entity a report on the implementation of national program to prevent and combat money laundering and terrorist financing; f) cooperate with audit service reporting entity to verify compliance of the entity reporting legislation on preventing and combating money laundering and terrorist financing; g) perform other functions in accordance with these regulations and internal documents of the reporting entity.
4) Select appropriate procedures containing requirements on recruitment of staff. 5) A continuous training program for staff on program content and compliance provisions to prevent and combat money laundering and terrorist financing. The training program must include all aspects of preventing and combating money laundering and terrorist financing, the reporting entity is adequately trained staff. Staff training should be depending on its level of involvement in the prevention and combating money laundering and terrorist financing. Training requirements must include at least: a) training new staff on the importance of internal program to prevent and combat money laundering and terrorist financing and basic requirements; b) training of first-line identity verification on new customers, monitoring customer accounts already existing rolling basis and detect suspicious activity indices; c) regular training to update staff responsibility, including information on new developments in the field.
6) internal rules providing for prosecution of employees who intentionally does not achieve its tasks related to the person responsible for reporting suspicious transactions, security or direct service authorities and / or personal contribution to the development of money laundering operations and financing terrorism.
7) information technology solutions (IT) to support effective internal program to combat money laundering and terrorist financing. Functional requirements for IT solutions will be based on procedures established within the home.

IX. Reporting suspicious transactions

49. Reporting entities should have clear procedures, known to all staff, by providing personal reporting of all suspicious transactions related to a special person reporting entity's governing body, responsible for the accumulation of information and taking measures against money laundering and terrorist financing . Also be established a chain of communication, both by management, as well as the internal security service for reporting problems related to money laundering and terrorist financing. 50. The detection of suspicious transactions, they are recorded by the reporting entity by completing special forms and / or presentation of data, as required by law, with the subsequent reporting SPCSB discreetly.
51. Reporting entity shall, where appropriate, NCFM or other bodies to supervise the reporting entities under the Law on preventing and combating money laundering and

terrorist financing activities and suspicious transactions, fraud affecting the essential safety, stability or entity's reputation.
52. Reporting entity is required to inform immediately about any activity or transaction SPCSB suspect within preparation, implementation or already achieved. Suspicious transaction data are reflected in a special form, which SPCSB resolve within 24 hours.
53. Reporting entity to complete a special form or transactions made under implementation through an operation worth over 500 thousand, and those made by several operations, within 30 calendar days, the amount specified. The form shall be remitted no later SPCSB the 15th of the month following the month of management. 54. Reporting entity's decision halted the execution SPCSB suspicious transactions for the period indicated in the decision, but no more than 5 working days. 55. Reporting entity and its employees are obliged to withhold natural or legal persons performing the activity or transaction or transfer information to third parties about SPCSB. X Sanctions
56. In order to remove deficiencies by reporting entities in respect of legislation to prevent and combat money laundering and terrorist financing, NCFM may order the following measures:
1) request to amend their programs to prevent and combat money laundering and terrorist financing; 2) requiring application of standard measures of knowledge of customers for products, operations and / or clients for which the reporting entity's internal rules establish the application of simplified measures and / or requiring the application of additional measures for operations or customers in where internal rules establish the application of standard measures of knowledge of customers;
3) information and shipping materials SPCSB that the signs of money laundering or terrorist financing no later than the second working day from the moment of discovery.

- **Regulation on Internal Control Systems within Banks approved by Decision of the Administrative Council of the National Bank of Moldova, minutes no. 96, April 30, 2010, Official Monitor of the Republic of Moldova, No.98-99/368, June 15, 2010.**

I. General Provisions

1. The Regulation on Internal Control Systems within Banks (hereinafter referred to as the Regulation) is worked out based on Articles 11 and 44 of Law no. 548-XIII of 21.07.1995 on the National Bank of Moldova, Articles 15, 17, 18, 25, 29, 33, 34 and 40 of Law no. 550-XIII of 21.07.1995 on Financial Institutions, in order to implement provisions of Law no. 190-XVI of 26.07.2007 on Prevention and Combating of Money Laundering and Terrorism Financing.

2. This Regulation stipulates the requirements on elaboration, organization, implementation and control of observance by banks of own internal control systems with the view to ensure the safety and prudency of financial transactions performed, accuracy and credibility of reported information, and reliability and integrity of information systems.

3. The terms and notions used within this Regulation shall comply with the definitions used in the Law on Financial Institutions, the Law on the National Bank of Moldova, the Law on Prevention and Combating of Money Laundering and Terrorism Financing, and the normative acts issued by the National Bank of Moldova on execution of the above-mentioned Laws. The following terms and
expressions shall be used within this Regulation as well:

bank's basic activities – financial activities allowed to be conducted by banks under Article 26 of the Law on Financial Institutions;

confidentiality – capacity of the information to be available to only individuals or processes authorized to access such information;

bank's client – depositor or any individual that takes or took benefit of bank's services, any individual the banks has, within its activity, negotiated a transaction, even if such transaction is not concluded or finalized yet;

availability – capacity of the information to be available upon demand by certain authorized individuals;

outsourcing – employment, on contract basis, of a legal entity to carry out certain activities/to perform certain operations, which commonly would be carried out/performed by the bank;

corporate governance – the totality of relationships between the bank management, its shareholders and other persons. Corporate governance includes as well, the structures through which bank's objectives are set and implementation means of such objectives are determined, and performance monitoring;

integrity – capacity of the information to be integral;

security measure – a tool used to mitigate the security risk, including policies, standards, procedures, organization structures, IT solutions, etc.;

direct owner – the person that holds securities based on the ownership right or on the concluded contract/social quotas according to the Act of Establishment;

indirect owner – the person that holds securities / social quotas through another person under control (equity interest of 25% and more);
information resources – any information used within bank's activity processes or any tangible/intangible good directly/indirectly involved in the creation, processing, stocking and accessing of information within activity processes (e.g. data, software, hardware, other infrastructure elements);
liquidity risk – the risk of losses to be assumed by a bank following the bank's incapacity to satisfy own cash demands or as a result of liquidity insufficiency to be recovered at excessive costs;
interest rate risk – the risk of losses to be assumed by a bank following the modification of interest rates. This risk occurs in event the bank's assets (credits, investments, etc.) become due or the new prices of such assets are to be established in time frames other than those of bank's liabilities (deposits, loans) that serve as an assets source. Interest rate fluctuations may affect the bank's income, basic economic value of its assets, liabilities and off-balance positions;
operational risk – the risk of direct / indirect losses resulting from inadequate or failed internal processes and because of certain external persons or events;
image risk – the risk of losses assumed by a bank because of publication of certain negative materials on bank's business practices that make bank's depositors, creditors and the market loose confidence in the bank's integrity;
transfer risk – the risk of impossibility of conversion by a foreigner of certain financial liabilities in the currency of payment because of the lack or nonavailability of such currency following certain restrictions imposed by the respective country;
significant risk – the risk with negative impact upon bank's patrimonial situation and / or image;
country risk – situations when economic, social and political circumstances and events in a foreign country affect the bank's activity;
credit risk – the risk of registration of losses or non-distribution of estimated profits, following non-fulfillment by the counterpart of assumed credit related contractual obligations;
foreign exchange risk – the risk occurring from market fluctuations of the exchange rate;
information security risk – probability for a certain event to occur and to generate negative impact upon confidentiality, integrity of availability of information or informational resources;
information security – maintaining confidentiality, integrity and availability of data in every form of thereof (electronic, paper-based, etc.) and protection of involved resources upon data management; moreover, other categories may be considered, including authenticity, accountability, non-repudiation and reliability;
stress test scenarios – a series of factors to include major types of risks serving as basis for the identification of eventual situations with negative impact upon banks;
information security management system – a component part of the internal control system, which is based on information security risks and is formed of a complex of technical and organizational measures (e.g. normative acts, internal procedures, human resources, IT processes, IT resources and services, etc.), and is aimed at achieving relevant objectives of bank's information security;

information system – the totality of information management systems within a bank and associated organizational resources, including information resources, human resources, organizational structures;
stress test – consideration of risks occurring following possible future events or modifications of economic conditions that might produce negative impact upon the bank's financial situation and evaluation of bank's capacity to face respective modifications;
transaction – any transfer of funds or contractual obligation between a person and a bank, notwithstanding the title of thereof.

II. Objectives and Goals of Internal Control. Concept and Elaboration of Internal Control Systems

4. The main goals of bank internal control include efficient bank management, performance of financial activities in a safe and prudent manner, and protection of depositors' and clients' interests.
5. The main objectives of bank internal control include mitigation of financial activity risks, control over observance the legislation in force, ensuring information security, transparency of ownership and control structures over the bank, settlement of conflicts of interests, maintenance of an adequate security level to comply with the essence, character and volume of transactions performed.
6. The internal control systems of banks represent a process which includes the bank management bodies and the bank staff, notwithstanding the position held, based on relevant procedures, methods, standards, measures, including restrictions (limitations), relationships of issuance/authorization-execution-reporting-control of transactions and operations, as well as dispositions of bank management bodies (hereinafter – the procedures), based on accurate, integral and updated information, approved to implement internal control goals and objectives.
7. The internal control systems of banks should contribute to the increase of incomes and mitigation of expenses, and should ensure that expenses are authorized and performed as according to the destination, that assets are adequately protected, and that liabilities are correctly registered and risks are limited.
8. The banks shall elaborate, organize and implement own internal control systems based on this Regulation and in line with the generally accepted practice in the field, including the documents of the Basel Committee and the European Community Directives, and adapt them to the activity conducted.
9. To ensure all relevant conditions to achieve internal control goals and objectives, the banks shall, upon elaboration, organization, and implementation of internal control systems, consider the volume, number, type and diversity of transactions, the level of associated risk in every field of activity, the volume of control by management bodies over the bank daily activity, the degree of bank centralization and decentralization, and the level of IT resource usage.
10. The banks shall, upon elaboration of internal control systems, determine the field of application and the type of procedures of internal control to be implemented.
11. The banks shall, upon the elaboration, organization and implementation of internal control systems, consider the cost of such system establishment and maintenance versus

bank benefits. The cost factor shall not serve as ground to justify non-implementation of adequate and efficient internal control procedures.
12. The internal control systems shall be elaborated and approved by banks in form of internal written regulations (policies, procedures, regulations, instructions, etc.).

III. Responsibilities related to Internal Control Systems

13. The board of the bank shall take full responsibility for approving adequate and efficient internal control systems and for ensuring periodical revision (one per year at least) of thereof, for approving internal regulations in all fields of bank's activity, as well as for supervising observance of the legislation in force, including of relevant National Bank requirements on submission of information on the activity of the bank and its shareholders (effective beneficiaries).
14. The executive body of the bank shall be responsible for the organization and implementation of internal control systems approved by the board of the bank.
15. The management bodies of the bank shall be responsible for the management, revision and regular control of internal control systems to ensure adequate efficiency of thereof. The evaluation of internal control systems adequacy and efficiency shall be carried out by the unit (section, division, department) of internal audit in accordance with this Regulation provisions. The unit of internal audit shall be independent in its activity and shall report directly to the board of the bank.
16. The internal audit unit shall independently evaluate the bank's activity adequacy and compliance with a set of policies and procedures, with effective legislative provisions, and shall communicate the evaluation results to the board of the bank, commission of censors and to the executive body.
17. The commission of censors shall conduct its activity in conformity with Article 20 of the Law on Financial Institutions, and Articles 71 and 72 of the Law on Stock Companies. The commission shall have the following responsibilities:
1) to assess the operation of the bank's internal control systems so as to ensure observance of all laws and regulations applicable to the bank;
2) to assess the activity of internal audit;
3) to examine internal audit control reports, including the recommendations made and the modalities of implementation of thereof;
4) to cooperate with external auditors;
5) to determine the security and accuracy of the information submitted to the bank management and external users;
6) to elaborate recommendations for the bank management on external audit selection.
The commission of censors shall submit reports to the board of the bank and/or to the general meeting of shareholders.

IV. Requirements on Internal Control

Section 1. General Requirements

18. Objectives of internal control systems Internal control systems shall ensure at minimum the following:
1) activities are planned and conducted in a correct, prudent, and efficient manner;
2) transactions and operations are conducted, and obligations are fulfilled according to the competence limits of bank's administrators and officers;

3) management bodies are able to protect assets and to control transactions with liabilities, to ensure operation of all measures to mitigate the risk of losses, violations, frauds, and errors, as well as to identify such risks in due time;
4) book entries and other registers give fair, accurate and due information;
5) management bodies have the capacity to regularly and duly administrate the level of capital adequacy, liquidity, profitability and the quality of bank's assets;
6) management bodies are able to identify, regularly evaluate and determine the risk of losses upon transaction performance, and the adequate reserves to cover eventual losses on credits and other assets, as well as on off-balance commitments;
7) management bodies are able to ensure the elaboration of complete, correct and due reports in compliance with normative acts;
8) under efficient corporate governance, management bodies set and follow the objectives that are in the bank's advantage and facilitate efficient monitoring of bank's activity;
9) management bodies are able to regularly organize, supervise and verify the physical integrity of bank's property and security means.

Section 2. Requirements on Internal Control Activities and Procedures

19. Internal control activities form an integral part of bank's basic activities aimed at prudential management of business relationship.
20. Internal control activities shall be adapted to the specifics of bank's activity and shall comply with the structure, organization and management of bank's activity and to the type, volume, number and complexity of bank's transactions and operations.
21. Internal control activities shall be carried out in accordance with internal control procedures and shall include, but shall not be limited to, the following:
1) organizational and administrative controls;
2) methods of activity management;
3) separation of functions and obligations;
4) procedures of activities authorization and approval;
5) bookkeeping procedures;
6) security procedures;
7) verification procedures;
8) evaluation procedures;
9) procedures of risk management and control;
10) procedures for ensuring activity continuity.
22. Organizational and administrative controls
The bank shall elaborate and hold as follows:
1) a short document on bank's short- and long-term policy and strategy objectives;
2) a code of corporate governance;
3) documents on outsourcing of certain activities, to determine, inclusively, requirements on internal control system adjustment and improvement, information security management, internal reporting system and internal audit functions, as to ensure that outsourced activities do not affect the bank's capacity to conduct efficient corporate governance;
4) internal procedures to describe employees' functions and responsibilities, and reporting and communication channels;
5) a document to provide an explicit description of accounting policies and procedures;

6) document that will include descriptions of procedures on daily operational, automated and manual controls; documents on bookkeeping and control systems, including a register of system modifications, to specify the date and name of persons that authorized and executed modification implementation;
7) a register with the signatures of authorized persons, including signature specimens, determining assigned competences (authorities) for every person included in the register; the register shall be updated depending on the modification of circumstances related to register subjects;
8) a register of issues discussed at the general meetings of shareholders; a register of internal memos; credit correspondence with law authorities;
9) planning, authorization and new activity initiations procedures, including description of related risks and evaluation of risk level, allowed risk limits, bookkeeping procedures, a description of methods used to set tariffs and prices or related values, other registers;
10) a code of employees' conduct and a regulation on interest conflict settlement policy within the bank;
11) a program of employees' training and supporting measures to ensure the following:
a) employees have due knowledge of their responsibilities and authorities, and of all the modifications or performances within the bank;
b) separation of functions, responsibilities and authorities between employees and verification of their competences;
c) employees' professional and personal capacities comply with assigned functions, responsibilities and authorities;
12) clear procedures on due informing about bank's shares and direct, indirect owners, effective beneficiaries, including bank's knowledge about eventual common activities of thereof, as well as relationship between bank's shareholders and debtors;
13) clear procedures on knowledge about bank's affiliated persons, including knowledge of all affiliation criteria between board members and the bank;
14) procedures on security of bank's assets from theft, abuse, incorrect use, or any other form of destruction;
15) procedures of independent and objective collateral evaluation, which will establish the modality for governing the selection of collateral evaluation officers, who might be third persons or a separate subdivision subordinated to the bank's board; methods of collateral value monitoring, methods to evaluate the opportunity and correctness of the methodology applied by the evaluators upon collateral value estimation.
23. Methods of activity management
The bank shall as follows:
1) monitor, based on a set frequency (regularly, daily, weekly and/or monthly) the volume of risk exposures, confronting such volumes with the limits set, elaborate reports on such risk monitoring by specifically indicating risk positions that exceed the limits set. These limits shall comply with transaction time, volume and type and shall include, as the case may be, data on counterparts, economic branches, country geographical positioning, liquidity, deviation of interest rates and position limits on securities as well as limits on open positions (over the day and overnight) on forex operations, futures, options, swaps, etc.;
2) elaborate procedures to identify, report and liquidate violations and activity drawbacks; hold written explanations on actions approved vis-à-vis the positions that

exceed admissible limits; elaborate systems to ensure that commitments can be correctly and systematically evaluated versus such limits and indicate positions near to exceed admissible limits, so that to allow management bodies intervene in due time, if needed;
3) elaborate procedures to ensure regular and due transmission of accurate and integral information to bank management bodies;
4) regularly verify the implementation of bank's policy and procedures on credit transactions; regularly verify and evaluate the quality of the credit portfolio, of individual credits and of transactions that include advance payments, extended warranties, etc., with the view to duly trace out any problems related to such transactions and offering to management bodies the possibility to evaluate their impact upon the bank's activity;
5) periodically verify, in accordance with bank's internal policies, gained and retained profits and losses resulted from assets bought for resale;
6) periodically verify, based on bank's internal policies, the source and concentration of deposits and analyze the probability of deposit withdrawal before maturity;
7) monthly verify the reports on current results and performance analysis, both separately and on consolidated basis, in comparison with the operational budgets and results of previous accounting period;
8) permanently examine legislative provisions, including normative acts of the National Bank, with the view to ensuring due compliance of bank's activity with legislative requirements; verify the conformity of report data on bank's activity with legislative requirements;
9) obtain, hold and update, in accordance with Annexes 1 and 2 to this Regulation, relevant documents and information on the following:
a) indirect shareholders and owners, including effective beneficiaries of equity interest in the bank's capital;
b) bank's debtors, including direct, indirect owners and effective beneficiaries of thereof; except for:
- debit banks that benefited from credits and financial lease;
- debtors to whom the bank has extended credits and financial lease, and whose total balance per debtor amount to up to 30 thou lei inclusive – for individuals, up to 100 thou lei inclusive – for individual businesses, attorney in law, notary, patent holder; and up to 250 thou lei inclusive – for legal entities;
c) existence or lack of affiliation relationship between board members and the bank, except for the affiliation determined under the board membership title.
10) verify the bank's fiscal status and obligations based on fiscal legislation;
11) regularly verify (at least twice per year) the technical condition of bank's physical security means and assets.
The methods used for information administration, the way of its accumulation, assessment, submission, and the implied level of particularization shall vary depending on the level of management who administrate such information.
Similarly, the applied methods and information importance shall determine the adequate level of administration required for task fulfillment.
24. Separation of functions and responsibilities
The segregation of functions and responsibilities mitigate the risk of conscious manipulation or of errors, increasing the efficiency of control over bank's transactions and operations. The following functions shall be subject to segregation:

authorization/approval, execution, registration, custody (maintenance), elaboration of registers and electronic bookkeeping systems (computerized) and their application within bank's daily operations.

The bank will dispose of procedures to ensure that the following:

1) various persons are responsible for the maintenance of registers, assets, authorization, initiation and supervision of transactions and assigned commitments;

2) separation is made so that no person has the possibility to intentionally or non-intentionally illegally assume any assets, falsify information or incorrectly register any transaction or operation so that such an action could not be further traced out.

25. Procedures of activities authorization and approval

Authorization means the process of decision-taking that implies approval of a proposal to expose the bank to risk or to distribute existent risks. Approval means the process through which such an authorization is applied in practice be means of certain transactions and operations. Under certain circumstances, these processes occur simultaneously.

The bank shall dispose of the following procedures to ensure the following:

1) transactions and operations are conducted in accordance with bank's management decisions and authorities;

2) the realization of authorization/approval policy that stipulates the limits of general and special authorities; conditions of issuance by the bank chairman/deputy chairmen of a special authorization/approval over a certain general authorization / approval;

3) conduct transactions and operations related to authorizations/approvals described in subps 1) and 2) in accordance with such authorizations/ approvals.

26. Bookkeeping procedures

The bank shall dispose of the following bookkeeping procedures to ensure the following:

1) correct registration of authorized/approved transactions, existent and future, spot, forward or any other type of derivatives in accounting records, so that such transactions can be registered in the balance sheet in the period when they are reflected and in incomes statement in the period to which they are referred to;

2) impossibility of registration of fictive transactions;

3) *de facto* existence of assets and liabilities entered into accounting records or other types of registers;

4) daily entry of transactions in accounting records and accounts balance at day-end;

5) performance of a complete and efficient control over accounting records and electronic bookkeeping systems (computerized);

6) verification of arithmetical correctness of accounting entries; maintenance and control of total balances, verifications, regularization accounts and trial balances; verification of documents through the bookkeeping system; reporting of traced errors and discrepancies to executive bodies;

7) recording of documents that served as basis for transaction performance and that demonstrate the entry of transaction in bookkeeping and other registers;

8) existence of a register of authorized persons and justification of credit granting at branch level, in the event the credit entered in the accounting records of the foreign bank branch is granted based on the disposition of the bank owing the branch;

9) complete, adequate and due reflection in bank bookkeeping of all transaction performed.

27. Security procedures
The bank shall dispose of security procedures to ensure the following:
1) security and physical custody over own assets, attribution of responsibilities to authorized persons, whose functions are independent from bookkeeping related functions;
2) limitation of both direct physical, as well as indirect documentary access to assets and goods through giving access to only authorized persons;
3) security and custody over goods held in the name of clients or other persons either in the name of thereof or in the name of persons named instead of thereof;
4) protection of accounting registers and of other types of bank registers.
Security procedures include protection systems and equipment, especially, physical care for portable, negotiable, exchange and on bearer assets and goods, through the use of locked card safes for unused bills of exchange, certificates of deposit and other forms of strict recording, as well as special cash safes to protect money means and securities etc.
28. Verification procedures
The bank shall dispose of verification procedures to ensure that the following:
1) accounting records are regularly and duly confronted with the respective assets, documents and regularization accounts; e.g. verification of Nostro accounts with statements of account, confrontation of balances from loan, investment, fixed assets accounts and accounts of clients with detailed reports, regularization accounts and ownership right confirmation documents, reconciliation of dealers' entries of own transactions with accounting entries of relevant transactions, regular and prompt analysis, and conclusion of transactions registered in the intermediate accounts. Verification frequency shall depend upon the volume and type of transactions passed through a certain verified account and on the value of the account balance;
2) the nature and volume of discrepancies traced out following the verification are determined; verification positions are investigated and further clearing is verified, as the case may be, accounting records are adjusted to the respective management level authorization;
3) discrepancies between closing and opening balances of immediate accounting periods are duly explained and any other discrepancies are investigated and reported to the respective management level;
4) rapid exchange of transaction confirmations is made through a third person, including manual exchange through post services or electronic transmission methods;
5) daily primary control of all circulating and canceled transactions and operations is organized, implemented and verified;
6) periodic verifications are made depending on the number, type and volume of transactions and operations.
29. Evaluation procedures
The bank shall dispose of evaluation procedures to ensure the following:
1) assets held for commercial purposes are subject to regular revaluation at independently verified prices by other persons (generally, this is the competence of the back/middle office);
2) the value of off-balance assets, liabilities, rights and commitments is subject to regular revision and evaluation, but not least than once per year (except for real estate (buildings, special constructions), which value changes insignificantly – evaluation is determined by the bank's accounting policy;

3) reserves and other adjustments are formed and registered against these assets and liabilities to ensure compliance of thereof with legislative provisions in force, including normative acts of the National Bank, accounting standards and bank's accounting policy.

30. Procedures of risk management and control

The bank shall dispose of procedures to manage and control its activity risks, including credit risk, interest rate risk, foreign exchange risk, liquidity risk, country risk, operational risk (including IT risk), transfer risk, image risk and other eventual risks which may appear within bank's activity. These procedures shall be elaborated in accordance with the complexity and specifics of bank's activity and shall ensure:

1) implementation of bank policies related to the management and control of its activity risks, including outsourcing;

2) adequate evaluation, management and monitoring of risks, including outsourcing related risks;

3) continuous identification and evaluation of bank position against the risks assumed;

4) reporting to bank management bodies of all risk exposures with the view to take adequate decisions on identified significant risks assumed by the bank;

5) undertaking of necessary measures to mitigate and limit bank's exposures to risks that affect achievement of bank objectives;

6) identification and monitoring of risks related to new products and activities and significant modifications of current products characteristics and activities, like operational flow of activity performance;

7) non-mitigation following outsourcing of the bank's capacity to execute its commitments before clients and non-limitation of attributions and competences of supervision and control bodies authorized to carry out supervision and control functions;

8) performance of crisis stress tests for every risk type depending on the level of assumed risk and the specifics of bank's activity, which includes dimension, complexity and diversification of bank's operations. The banks shall carry out stress tests as a means of diagnostic control to understand the bank risk profile.

31. Procedures for ensuring activity continuity

The bank shall undertake all measures required to ensure activity continuity at all time, under any circumstances and in all activity directions. For this purpose, the bank shall develop and implement procedures to ensure maintenance and relaunching of basic activities under any trouble causing incident.

To ensure a complex and efficient approach of the planning and maintenance process of basic activities continuity, the bank shall examine, at least, the following:

1) risks that might lead to incidents causing disfunctions at the level of bank's basic activities;

2) the incident impact upon basic activities;

3) strategies of basic activities re-launching and activity continuity plans;

4) test plants of continuity procedures;

5) programs of bank staff training;

6) programs of crisis situation communication and management;

7) plans and procedures to ensure the continuity of outsourcing activities and recovery of activities following the exceptional situations identified based on risk analysis, which shall be subject to regular testing in terms of compliance of thereof with outsourcing policies and procedures.

Section 3. Requirements on Information Security

32. General provisions

1) The bank shall ensure information security notwithstanding the form of processing (electronic/ manual) and/or storage (electronic/file paper) of thereof.

2) To ensure information security, the bank shall establish, implement, and ensure the functioning, monitoring, revision, maintenance and improvement of its own Information Security Management System (ISMS).

3) Under the process of ISMS establishment, implementation, monitoring, revision and improvement, the bank shall be governed by the recommendations issued by the National Bank of Moldova in the field of ISMS and by the national/international standards ISO 27000.

33. ISMS establishment

1) The bank board shall define and approve the information security policy; this document shall stipulate the objectives, scope of application, principles, responsibilities and consideration of risks within ISMS.

2) ISMS scope of application shall include all information resources, processes, locations and technologies, which are important in terms of produced impact upon bank's basic activities performed.

3) The bank shall define the methodology of identification, analysis, evaluation, treatment, acceptance and revision of information security risks.

4) The bank shall identify, analyze and evaluate information security risks related to information resources.

5) The bank shall identify and evaluate all options of security risks treatment.

6) Depending on risk treatment options, the bank shall select the optimal measure to solve the risks. Selected security measures shall be adequate and efficient to mitigate risks down to the level acceptable to the bank.

7) Selection of security measures and acceptance of information resources related residual risks shall be subject to approval by the bank's board.

34. ISMS implementation and functioning

1) The bank shall develop a plan of risk treatment, which shall include all the necessary measures and actions to be conducted, allocation of resources, responsibilities and terms of implementation according to information security risk administration priorities.

2) The bank management bodies shall ensure due implementation of the risk treatment plan through due support, allocation of resources and continuous coordination.

3) The bank shall define the performance indicators to be used upon the evaluation of selected security measures' efficiency.

4) The bank shall manage ISMS functioning, shall administrate the resources allocated to ISMS and shall implement adequate procedures to allow for prompt detecting of security events and due feedback to security incidents.

5) The bank shall ensure an adequate training of persons responsible for ISMS implementation and functioning.

35. ISMS monitoring and revision

1) The bank shall conduct continuous monitoring and revision of security procedures and measures to ensure due efficiency of thereof and due feedback to eventual security problems.

2) The bank shall initiate periodic evaluation of ISMS efficiency, taking into consideration security incidents, audit results, results of performance indicators evaluation, technological, organizational, legal and social modifications, suggestions and feedback by all parties involved.
3) To ensure adequacy and efficiency of implemented security measures, the bank shall revise the risk analysis at planned time intervals, but not less than once per year for critical information resources and resources subject to important modifications.
36. ISMS maintenance and improvement
1) The bank shall implement all ISMS identified improvements.
2) All ISMS modifications shall be communicated to all stakeholders, internal and external, depending on the responsibility of thereof under ISMS and concrete implemented security measures.
3) The bank shall ensure that ISMS improvement reach traced objectives.
37. ISMS Documentation
1) ISMS documentation shall include decisions of bank's management bodies, methodologies, procedures, records, which confirm ISMS adequate functioning.
2) The bank shall dispose of procedures for elaboration, implementation, modification and abrogation of ISMS related documents.
3) Procedures of ISMS documentation management shall provide the manner of documents' approval, revision, distribution, accessing and withdrawal.
4) ISMS related records shall serve as sound grounds to support the adequacy of implemented security measures and ISMS related events in the past.
5) ISMS related records shall be made in accordance with effective legal provisions, and shall be subject to due protection, integral recovery and eligible presentation for purposes of analysis by authorized entities.

Section 4. Requirements on Internal Audit
38. Internal audit shall constitute an integral part of the internal control system organized and maintained by the bank management bodies and shall differ from the primary control function of a control unit, which ensures daily control of transactions and operations.
39. Internal Audit Basic Function
The basic function of internal audit is to carry out an independent and objective analysis of activities performed by the bank, with the view to improving bank's indicators through systematic and order application of methods of internal control system evaluation and improvement within the bank.
40. Internal Audit Objectives
Internal audit functions have the following objectives:
1) observance of bank's internal policies and procedures within all activities and structures;
2) evaluation of the quality of bank's internal policies and procedures, including of control procedures, so that they can be sufficient and adequate for the activity performed;
3) improvement of risk management, control and bank management processes.
Under the scope of internal audit evaluation, specific focus is placed on reference terms, independence from the operational management, data communication regime and staff professional competences.
41. Internal Audit Functions

In order to achieve the objectives set, internal audit shall have the following functions:
1) to ensure evaluation of the efficiency and the level of adequacy of bank's internal control system and ISMS as integral part of thereof;
2) to ensure evaluation of the methodological framework regarding the risk analysis and management within the bank, the way of its implementation and application, as well as of the efficiency of risk management procedures under internal control objectives achievement within the bank;
3) to verify the performance of continuous monitoring of risks which can eventually affect financial activities (credit risk, interest rate risk, foreign exchange risk, liquidity risk, country risk, operational risk, including IT risk, transfer risk, image risk, and other types of risk that might occur within bank's financial activity);
4) to verify the performance of current financial situation analysis, including the capital depending of risks assumed by the bank ;
5) to verify and to analyze internal control condition in bank's subdivisions and to adequately assess it;
6) to control the implementation of management policies, including of the corporate governance code;
7) to carry out the analysis of stress tests scenarios and to evaluate the efficiency of thereof taking into account all possible market events and modifications capable to affect bank's activity;
8) to verify accounting records and other records and to analyze transactions by confronting them with the financial statements;
9) to organize and to ensure permanent control through systematic inspections and revisions of bank's subdivisions activity in terms of compliance of carried actions with effective legislative provisions, procedures and internal documents which regulate the bank activity and define the bank policy, as well as bank's functional instructions;
10) independently and/or in common with other bodies and responsible persons examine cases of violation by bank's employees of the legislation, of internal documents which regulate the bank activity and define the bank policy, of bank management decisions and their functional instructions;
11) to issue recommendations following the conducted controls with the view to prevent the occurrence of repeated traced violations and drawbacks, as well as with the view to improving and developing the bank's activity;
12) to supervise the implementation of the recommendations issued following the conducted controls and to monitor liquidation of traced drawbacks and weaknesses;
13) to ensure the compiling of relevant documents for every control and to elaborate conclusions on control results, which reflect all problems examined within the control process, traced drawbacks and weaknesses, and proposals on liquidation of thereof;
14) to submit conclusions on control results to the bank's board, the executive body and the appropriate subdivisions in order to develop measures to liquidate traced drawbacks and violations, as well as to analyzing the activity of certain bank officers;
15) to duly inform, as in accordance with the bank's internal regulations, the bank board on as follows:
a) significant risks and repeatedly identified risks;
b) cases of violation by bank officers of legislative provisions and bank internal regulations;

c) measures undertaken by the heads of subdivisions under control to liquidate committed drawbacks and results of thereof;
16) to conduct investigations and research for the bank management, to express opinions on observance of internal control requirements, to extend consultancy to the bank management on performance of certain transactions, processes or activities so as not to affect internal audit objectivity and impartiality;
17) to ensure knowledge by bank employers of the legislation in force and of bank's internal regulations within limits of assigned competences;
18) to assess the efficiency of bank's outsourced activities and to determine any risks that can affect the bank's activity and the capacity of observance with legislative provisions in force.
42. Internal Audit Creation and Organization
The bank shall create and organize its internal audit subdivision in accordance with this Regulation, taking into account the following principles:
1) the internal audit subdivision shall function based on the internal regulation on internal audit, which shall be approved by the bank board and shall include information on internal audit unit organization, the rights and responsibilities, cooperation with other bank subdivisions, etc. The Regulation shall be brought to the notice of all bank employees;
2) the structure and number of internal audit subdivision employees shall be determined by the bank board. The staff number shall be sufficient to carry out internal audit targets and objectives and to solve all issues related to internal audit; the unit staff shall not be involved in any direct performance of bank transactions and operations;
3) the head of internal audit subdivision shall be nominated following the bank board decision or decision of the bank executive body, which shall be coordinated with the bank board (according to the Statute);
4) the procedure of current reporting by internal audit, as provided in the bank internal regulation on internal audit, shall include reporting to the bank board and executive body as soon as possible following the conclusions of internal audit controls. Along with current reporting, internal audit shall, at least once per year, elaborate a report for the bank board which will include an activity analysis in terms of internal audit added value to bank's activity.

V. Final Provisions

43. The National Bank shall verify the adequacy (efficiency) of internal control systems of every bank under on/off site controls. The internal control systems or related procedures of thereof (some of them) that do not allow achievement by banks of internal control objectives and targets shall be considered inadequate (inefficient).

Annex 1.
Documents (information) on direct, indirect owners, including effective beneficiaries of equity interest in the bank's capital, as well as documents (information) on bank debtors (who have benefited from credits**), direct, indirect owners, including effective beneficiaries of thereof**

The bank shall obtain, hold and update at least once per year, and also in the event that the affiliation or common activities occur, but not limited to such events, the following documents (information) on direct, indirect owners, including effective beneficiaries of **equity interest in the bank's** capital, on bank debtors, direct, indirect owners, including effective beneficiaries of thereof:

1. For bank owners that hold 2% and more in bank capital / bank debtors – legal entities:

1) excerpt from the Register of bank shareholders (for bank shareholders);

2) excerpt from the State Register issued by the competent body authorized to register legal entities;

3) acts of establishment, including the Statute with all further modifications and completions;

4) excerpt from the Register of shareholders – for persons holding 5% and more in its capital;

5) the list of administrators (board members, commission of censor, executive body and chief accountant) of the owner / debtor;

6) information on nomination of owner/debtor's administrators as administrators in other organizations and holding by thereof of 5% and more in the capital of commercial entities. In the event that the owner is an international organization / multilateral bank / foreign bank, which is rated not under A-/A3 as assigned by at least one of the following agencies: Standard & Poor's, Moody's and Fitch-IBCA, providing that the relevant bank is simultaneously resident of a country with the above mentioned rating categories – information on holding by bank administrators of 50% and more in the capital of commercial entities;

7) list of individuals in kinship relations of first and second degree with persons listed in sup.5), as well as spouses of thereof, their place of work, and positions held, information on position of administrator held in other organizations, as well as equity interest of 5% and more in the capital of commercial entities. In the event that the owner is an international organization/multilateral bank/foreign bank, which is rated not under A-/A3 as assigned by at least one of the following agencies: Standard & Poor's, Moody's and Fitch-IBCA, providing that the relevant bank is simultaneously resident of a country with mentioned rating categories – no such information is needed;

8) information on equity interest of 5% and more of the owner/debtor in the capital of commercial entities. In the event that the owner is an international organization/multilateral bank/foreign bank, which is rated not under A-/A3 as assigned by at least one of the following agencies: Standard & Poor's, Moody's and Fitch-IBCA, providing that the relevant bank is simultaneously resident of a country with mentioned rating categories – information on equity interest of 50% and more in the capital of commercial entities;

9) information on legal entity or individual acting in the name or on the account of the owner/debtor, providing indication of respective authorities;

10) information on legal entity or individual, on whose name or account the owner / debtor acts, providing indication of respective authorities;

11) list of other persons acting in common with the owner / debtor, providing specification of criteria to determine the common acting of thereof;

12) financial reports (at least annual reports) of the owner holding significant equity interest in bank's capital/the bank debtor, confirmed by an independent audit

organization, or bearing the stamp of the state competent body in the event that the general meeting of shareholders (associations) did not provide performance of audit controls (for example, rayon (municipal) financial bodies where the corporation is registered). In the event that the owner is an international organization – no reports need to be submitted.
13) information on bank's debtors worked out according to subps. 2) – 12), about direct, indirect owner and efficient beneficiary of the legal entity worked out according to subps. 2) – 12) (for legal entities) and p. 3 subps. 28 – 8) (for individuals).
2. For bank owners – legal entities holding equity interest of up to 2% in the bank capital – the documents provided in p. 1 subp. 2).
3. For bank owners holding 2% and more in the bank capital / bank debtors – individuals:
1) excerpt from the Register of shareholders (for bank shareholders);
2) copy of the identity card;
3) information on place of work and positions held by owner / debtor, as well as information on positions of administration held in other organizations;
4) information on commercial entities in which capital the owner/debtor holds equity interest of 5% and more, providing value of the equity interest and the list of commercial entity administrators;
5) list of individual in kinship relation of first and second degree, as well as owner/debtor spouses, their place of work, and positions held, information on positions of administrator held in other organizations, as well as equity interest of 5% and more in the capital of commercial entities;
6) information on legal entity or individual acting on the name or on the owner/debtor account, providing indication of the respective authorities;
7) information on legal entity or individual, on whose name or account the owner/debtor acts, providing indication of the respective authorities;
8) list of other persons acting in common with the owner / debtor, providing the specification of criteria to determine the common acting of thereof;
9) copies of individual's income declarations (submitted according to the fiscal legislation), confirmed by fiscal authorities, if submission of income declarations is mandatory according to fiscal legislative provisions.
4. For bank shareholders – individuals, holding equity interest of up to 2% of the bank's capital – copy of ID of thereof.

Annex 2.
Documents (information) on bank board members
The bank shall obtain, hold and update at least once per year, but not limited to, the following documents (information) on bank board members:
1) information on place of work and positions held, as well as information on positions of administrator held in other organizations by the bank board member;
2) information on commercial entities where the bank board member holds equity interest of 5% and more, providing specification of equity interest value, list of administrators of the respective entity, as well as names, addresses of the above mentioned entities co-owners;

3) list of individuals in kinship relation of first and second degree, as well as spouses of bank board members, place of work and held positions of thereof, as well as equity interest of 5% and more in corporations capital;
4) legal entity or individual that acts on the name or on the account of the bank board member;
5) legal entity or individual on whose name or account the bank board member acts;
6) the list of other persons acting in common with the bank board member.

- **National Commission for Financial Market Decision Regarding the Recommendations for the prevention and combating of money laundering and financing of terrorism on the non-banking financial market no. 63/5 of 25.12.2007**

Based on the Law no.192-XIV dated 12.11.1998 "On the National Commission for Financial Market" (re-published in the Official Monitor of the Republic of Moldova, 2007, no.117-126 BIS) and on the Law no.190-XVI dated 26.07.2007 "On the prevention and combating of money laundering and financing of terrorism" (Official Monitor of the Republic of Moldova, 2007, no.141-145, art.597), the National Commission for Financial Market

DECIDES:

1. To approve the Recommendations for the measures of prevention and combating of money laundering and financing of terrorism on the non-banking financial market (attached).

2. The professional participants shall elaborate and approve, as provided by the laws, their own programs of prevention and combating of money laundering and financing of terrorism in three months from the enactment of this decision, bearing in mind the provisions of these Recommendations and shall present them to the National Commission for Financial Market.

3. The control upon the execution of the provisions of clause 2 of this Decision shall be referred to the Department of securities, Department of Assurance and Department of Collective Placements and Micro financing.

4. The Decision of the National Commission for Securities no.11/1 dated 28.02.2005 "On the approval of Regulation on the prevention and combating of money laundering on the stock exchange " (Official Monitor of the Republic of Moldova, 2005, no.36-38, art.121).

5. This decision is enacted on the date of publication.

CHAIRMAN OF THE NATIONAL COMMISSION FOR FINANCIAL MARKET

Mihail CIBOTARU

Chisinau, 25th December 2007.
No.63/5.

Attachment to the Decision of the
National Commission for Financial Market
no.63/5 of 25th December 2007

RECOMMENDATIONS
on the application of measures of prevention and combating of money laundering and financing of terrorism

1. GENERAL PROVISIONS

1.1. The Recommendations on the application of measures for the prevention and combating of money laundering and financing of terrorism on the non-banking financial market (hereinafter referred to as Recommendations) are elaborated in accordance with the provisions of the Law no.192-XIV of 12.11.1998 "On the National Commission for Financial Market", Law no.190-XVI din 26.07.2007 "On the prevention and combating of money laundering and financing of terrorism" and other applicable legal acts.

1.2. Prevention and combating of money laundering and financing of terrorism is a priority for the national economy providing for a higher trust to the non-banking financial system.

1.3. These recommendations establish the requirements to the elaboration of own programs for the prevention and combating of money laundering and financing of terrorism on the non-banking financial market by the professional participants of the non-banking financial market (hereinafter referred to as professional participants) qualified by the Law no.192-XIV of 12.11.1998 "On the National Commission for Financial Market", especially the professional participants of the stock exchange, registrars, brokers, dealers, underwriters, fiduciary investment managers, professional participants of the insurance market, non-governmental pension funds, savings and credit associations, microfinancing organizations, mortgage credit organizations.

1.4. These Recommendations are designed in order to establish certain measures for the prevention and combating of money laundering and financing of terrorism on the non-banking financial market, being at the same kind a guidance for the professional participants in the elaboration of their own programs so as to properly entitle the to provide services to the legitimate clients and to avoid the risks of money laundering and financing of terrorism.

1.5. The sectors vulnerable to the risks of money laundering and financing of terrorism are:

a) non-ordinary complex transactions;
b) international financial operations;
c) operations via internet;
d) brokerage operations;
e) trust operations;
f) acceptance of savings;
g) extension of loans.

1.6. The main elements of the process of money laundering and financing of terrorism are:

a) placement – initial movement of proceeds or other income obtained from illicit activity in order to change the initial form or the location of such moneys so as to make them inaccessible for the law authorities;

b) investment – separation of the criminal income from its origin by various financial transactions;

c) integration – use of legal transactions in order to conceal illicit incomes, allowing for the return of laundered amounts to the criminals.

1.7. The professional participants shall report to the Centre for the Combating of Economic Crimes and Corruption (hereinafter referred to as Centre) and National Commission for Financial Market (hereinafter referred to as National Commission), in accordance with the laws, on its activities of combating and prevention of money laundering and financing of terrorism on the non-banking financial market.

1.8. These Recommendations do not affect the obligation of the professional participants to comply with the applicable laws in the matters of prevention and combating of money laundering and financing of terrorism.

2. RESPONSIBILITY

2.1. The management of each professional participant is responsible for the elaboration, approval and proper application of its own program of prevention and combating of money laundering and financing of terrorism so as to enable the timely prevention and detection of suspicious operations. The availability of such a program is the most efficient tool that enables each professional participant to prevent involvement in the transactions capable of facilitating illicit activities, as well as to assure compliance with the norms applicable to the reporting of suspicious activities.

2.2. The management of each professional participant is responsible for the compliance of their activities with the provisions of applicable laws in the matters of prevention and combating of money laundering and financing of terrorism.

3. RISKS OF MONEY LAUNDERING AND FINANCING OF TERRORISM

When elaborating their own programs against money laundering and financing of terrorism the professional participants must take into consideration the risks associated with money laundering and financing of terrorism, so as to minimize them.

3.1. Legal risk – the risk of unenforceability of judiciary decisions or contracts that may negatively affect the operations or the situation of professional participants. In order to minimize the legal risk the professional participants must conduct the correct monitoring of identification of private individuals and corporate entities, as well as effective beneficiary.

3.2. Risk of image – the risk associated with money laundering and financing of terrorism that implies the possible loss of trust following the negative publicity of business practices of private individuals and corporate entities, as well as effective beneficiaries.

3.3. Operational risk – risk of direct or indirect losses resulting from the inadequate or failing internal processes, as well as the external persons or events.

3.4. Risk of informational technologies – the risk that may appear in connection with the appearance of new and developing informational technologies, once these may create favorable conditions for the money laundering and financing of terrorism.

4. MAIN PROVISIONS OF THE OWN PROGRAMS FOR THE PREVENTION AND COMBATING OF MONEY LAUNDERING AND FINANCING OF TERRORISM ON THE NON-BANKING FINANCIAL MARKET

4.1. The own programs of prevention and combating of money laundering and financing of terrorism represent the policies and procedures, as well as the rules of identification of clients promoting the ethic norms and professionalism in the non-banking financial sector, preventing the direct or the indirect use of professional participants by the criminal elements. The policies and procedures must provide for the conduction of financial operations in a safe and prudent manner.

4.2. The National Commission insists on the elaboration of own programs of prevention and combating of money laundering and financing of terrorism bearing in mind the provisions of these Recommendations. The structure of these programs is provided in the attachment to these Recommendations.

4.3. When elaborating their own programs for the prevention and combating of money laundering and financing of terrorism, the professional participants shall take into consideration these Recommendations and adapt them to their activities depending on the size, complexity, nature and turnovers, lists of clients, risk levels associated with various clients and the operations conducted with them, taking into account the provisions of the Law no.190-XVI din 26.07.2007 "On the prevention and combating of money laundering and financing of terrorism", as well as the accepted practices in the field.

4.4. The structure of own programs for the prevention and combating of money laundering and financing of terrorism on the non-banking financial market must include but not be limited to the following:

a) the obligations of the management and executive bodies, including:

- knowledge of clients with a high degree of risk;
- knowledge of information sources of third parties;
- approval of significant transactions conducted by clients with a high degree of risk;
- determination of sectors vulnerable to the risk of money laundering and financing of terrorism, with clear delimitation of responsibilities of each subdivision in the matters of prevention and combating of money laundering and financing of terrorism;
- assurance of removal of violations identified in the matters of prevention and combating of money laundering and financing of terrorism on the non-banking financial market;

b) definition of processes of possible money laundering and financing of terrorism depending on the characteristic particularities of professional participants;

c) client identification procedures (the rules "know your client ");

d) implementation of compliance assurance systems within the program for the prevention and combating of money laundering and financing of terrorism;

e) the procedure of reporting suspicious operations.

5. IDENTIFICATION OF CLIENTS

5.1. The professional participants shall apply the following rules of client identification:

a) before initiating business relationships;

b) when conducting occasional transactions in amounts of at least 50 thousand lei, as well as when conducting electronic transactions in amounts of at least 15 thousand lei, notwithstanding if it is a single transaction or a series of several transactions;

c) once there are suspicions of money laundering or financing of terrorism;

d) once there are doubts as to the accuracy and authenticity of obtained identification data.

5.2. The professional participants shall properly identify their clients and put in place adequate risk-based identity verification measures so as to obtain a maximum of information and certitude on the structure of property and controls of the client.

5.3. The professional participants shall continuously monitor the transactions or business relationships of their clients so as to provide for the compliance with the previously declared identification data and make the necessary updates.

5.4. The identification elements include:

a) private individuals or corporate entities holding accounts with particular professional participant or in whose name/on whose behalf the account is held;

b) beneficiaries of transactions performed by the professional mediators;

c) any private individual or corporate entity involved in a transaction capable of casting a significant threat on the image or another risk.

5.5. The specific identification elements of the clients by the professional participants include:

a) fiduciary accounts;

b) corporate securities;

c) accounts of clients opened by professional mediators;

d) politically exposed persons.

5.6. The professional participants must obtain information on the scope and nature of business relationships in complex and unusual transactions.

5.7. The client identification procedures are examined under different aspects, such as the client's experience, country of origin, social situation, business activities and other risk indicators. The procedures of accepting clients must include several stages, depending on the implied risk level, priority attention being paid to the clients with high incomes from unclear sources. The decisions of initiating business relationships with risky clients must be taken exclusively at the level of top management. It is important for the process of accepting clients not to affect the access of wide public to the non-banking financial services.

5.8. The professional participants must have systematic policies and procedures in place for the proper identification of clients and persons acting in their names and shall not provide for the initiation of business relationships until the new client's identity is properly verified. One must obtain all the necessary information for the proper identification of each new client, including their scopes and the nature of business relationships. The professional participants shall identify their clients and undertake all the reasonable actions so as to verify their identity using the relevant information or the data obtained from secure sources, in order to be aware of what are their clients in fact. Special attention must be paid to the non-resident clients, as well as to the clients receiving funds from abroad, bearing in mind the provisions of the Law On the prevention and combating of money laundering and financing of terrorism.

5.9. The identification procedures do not apply in the following cases:

a) procurement of life insurance policy, given that the insurance premium or the annual rates are under 15 thousand lei or the single insurance premium paid does not exceed 30 thousand lei;

b) subscription to insurance policies issued by a pension fund based on a contract of employment or occupation, given that the policies are not redeemable before term and can not be used as pledge or security for contracting credits.

5.10. The procedures referring to the continuous monitoring of accounts and transactions include:

a) determination of the client's ordinary/specific operations;

b) monitoring of the client's operations in order to determine if they comply with the ordinary ones for the specific client or for the clients of similar categories;

c) implementation of managerial information systems for the presentation of necessary data for the identification, analysis and efficient monitoring of high risk client accounts to the responsible persons;

d) identification of limited and suspicious transactions, including the potentially limited and suspicious transactions by the professional participants, as well as of the sources of funds used by the clients in these transactions.

The professional participants are advised to inform the Center of any problems of identification checking after the accounts are opened, unless they are resolved in the proper way. The professional participants shall not hold anonymous accounts or accounts registered in fake names.

5.11. The procedures of data holding and safekeeping must include at least the following:

a) maintenance of a register of identified clients for at least seven years (to include at least the following: the client's name, and fiscal code; account number; date of opening; date of closing);

b) storage of all records pertaining to the transactions for at least seven years from the transaction date;

c) storage of clients' identification files for at least seven years from the date of closing their accounts;

d) precise description of client identification and transactions data that must be stored in the client identification dossier.

6. HIGH SAFETY

6.1. The professional participants shall apply the identification measures depending on the risks associated with each particular client type, with the business relationship, property or transaction. The professional participants must be able to demonstrate to the Center and National Commission that the scale of higher safety is adequate, bearing in mind the risks of money laundering and financing of terrorism.

6.2. The professional participants must apply the high safety measures when the private individual or the corporate entity involved in the transaction does not appear personally for proper identification and undertake the following measures:

a) guarantee that the person's identity is properly confirmed by documents, data or additional information;

b) verify and certify additionally the presented documents;

c) guarantee that the first payment is effected via an account opened in the name of the said person.

6.3. Upon effecting (registering) transactions with the involvement of off-shore corporate entities these shall present the following data:

a) series, number and date of issue of the identity document, address and other data necessary for the proper identification of the representative of the said corporate entity;

b) the representation document (power of attorney, order, extract from the articles of association, etc.) authenticated in the manner prescribed by the applicable laws, containing the name and surname of the representative of the said corporate entity;

c) the legal identification data (the company certificate of registration), address and other data necessary for the identification of corporate entity;

d) the documents attesting the identification of founders of the corporate entity down to the level of private individuals.

6.4. Special attention must be paid to the non-resident clients, as well as to the clients or beneficiary owners receiving funds from abroad, bearing in mind the provisions of the Law On the prevention and combating of money laundering and financing of terrorism.

7. THE COMPLIANCE ASSURANCE SYSTEM OF OWN PROGRAMS OF PREVENTION AND COMBATING OF MONEY LAUNDERING AND FINANCING OF TERRORISM ON THE NON-BANKING FINANCIAL MARKET

In order to provide for the due observation of their own programs for the prevention and combating of money laundering and financing of terrorism, the professional participants shall have in place:

7.1. Special provisions relating to the internal control system in order to assure the continued conformity in the view of minimizing the risks of money laundering and financing of terrorism. These shall include the following, but not limited to:

a) procedures for the detection of limited and suspicious operations;

b) monitoring of clients conducting numerous transactions that are not specific for their activities. For this purpose the professional participants shall initiate investigations in order to determine the belonging of clients to the client groups subject to monitoring;

c) monitoring of operations with accounts opened with the professional participants;

d) internal procedures for the reporting of suspicious transactions.

7.2. An audit service of the professional participant responsible for the verification of due observation of the program for the prevention and combating of money laundering and financing of terrorism, provided by the staff of the professional participant or an independent entity having at least the following functions:

a) independent assessment of internal policies and procedures of the professional participant, including the observation of applicable laws;

b) monitoring of staff activity by testing compliance;

c) testing of transactions upon necessity;

d) reporting of control results to the management.

7.3. Designation of an office responsible for making decisions and assurance of compliance of the professional participant's policies and procedures with the regulations against money laundering and financing of terrorism, due attention being paid to these Regulations.

The responsible officer shall contribute to the implementation of the internal program for the prevention and combating of money laundering and financing of terrorism in order to prevent the money laundering and financing of terrorism with proceeds from illegal (criminal) activities. For this scope the said officer shall at least:

a) consult the other officers of the professional participant in the matters of prevention and combating of money laundering and financing of terrorism, including the identification and examination of clients and evaluation of the risk of laundering the proceeds of illegal (criminal) activities and financing of terrorism;

b) make decisions based on the received information;

c) organize the training of the other officers of the professional participant in the matters of prevention and combating of money laundering and financing of terrorism;

d) provide for the proper reporting to the Centre, as prescribed by the applicable laws;

e) at least once a year report in written to the management of the professional participant on the results of the implementation of the internal program for the prevention and combating of money laundering and financing of terrorism;

f) collaborate with the auditing service of the professional participant in testing the compliance of the activities conducted by the professional participant with the applicable laws in the matters of prevention and combating of money laundering and financing of terrorism;

g) perform any other functions, as provided in these Regulations and in the internal documents of the professional participant.

7.4. Adequate selection procedures containing the proper requirements to the employment of staff.

7.5. A continuous training program for the employees in the matters of contents and compliance with the program for the prevention and combating of money laundering and financing of terrorism. The training program must include all the aspects of prevention and combating of money laundering and financing of terrorism in the entity, all the officers of the professional participants being properly trained. The schedule and contents of the said training program shall be adapted to the individual needs of the professional participant. Trainings must be organized depending on the level of involvement of each particular office into the process of prevention and combating of money laundering and financing of terrorism. The training requirements must provide at least for the following:

a) training of new staff in order to raise the awareness of importance of the internal program for the prevention and combating of money laundering and financing of terrorism, with explanation of basic requirements;

b) training of front office staff in checking the identity of new clients, monitoring the accounts of already existing clients and detection of signs of suspicious activity;

c) regular responsibility update trainings for the staff, with discussion of new processes and progresses in the area.

7.6. The normative acts providing for the responsibility of personnel for the deliberate omission to report the suspicious transactions to the responsible person, to the

security service or directly to the competent authorities and/or for the personal contribution in the conduction of money laundering and financing of terrorism.

8. REPORTING OF SUSPICIOUS OPERATIONS

8.1. The professional participants must have in place clear procedures, as provided by the Law On the prevention and combating of money laundering and financing of terrorism known to all staff members providing for the reporting of all suspicious transactions to a specially designated officer in the management of the professional participant, responsible for the accumulation of data and taking measures against money laundering and financing of terrorism. At the same time one must establish a certain chain of communication both to the management and to the internal security system for the reporting of problems associated with money laundering and financing of terrorism.

8.2. Upon detection of suspicious operations these must be registered by the professional participant in the corresponding forms and /or reports, as provided by the applicable laws, with subsequent discrete presentation to the Center.

8.3. The professional participants shall report to the Center and National Commission all the suspicious activities or cases of frauds affecting the safety, stability or the reputation of the professional participant.

8.4. The professional participants are obliged to immediately report to the Center any suspicious activities or transactions under preparation, implementation or any already implemented suspicious activities or transactions. The data on the suspicious transactions set out in the special forms that are presented to the Centre within 24 hours.

8.5. The professional participants shall complete special forms for the implemented transactions or transactions under implementation in amounts exceeding 500 thousand lei, as well as the ones consisting of series of similar smaller transactions within 30 calendar days in the same amounts. These forms shall be presented to the Centre not later than by the 15th day of month following the reporting one.

8.6. The professional participants shall suspend the execution of suspicious operations at the orders of the Centre for the periods therein specified, but not exceeding 5 business days.

8.7. The professional participants and their officers are obliged not to inform the private individuals or corporate entities about their duty to report to the Center.

Attachment
To the Recommendation on the application of
measures for the prevention and combating of
money laundering and financing of terrorism
on the non-banking financial market

Model structure of the internal program for the prevention and combating of money laundering and financing of terrorism

Objectives
Authority
Responsible organs and officers, their duties and responsibilities:
Management
Executive organs
Responsible officer

Officers
Rules "know your client ":
Acceptance of clients
Identification of clients
Monitoring of transactions
Data preservation and storage
Controls
Responsibilities of auditors
Staff employment requirements
Training
Reporting requirements:
Presentation deadlines
Correspondence with competent authorities

- **Government Decision No. 790 from 03.09.2010 regarding the adoption of the 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism**

Government DECIDES:

1. It is adopted the 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism (is being attached):
2. The Center for Combating Economic Crimes and Corruption will monitor the activity of the institutions involved in the implementation of the 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism;
-by February 1, it will present to the Government the assessment report for the previous year regarding the implementation of the 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism, and by February 15, will elaborate and submit to the Government for their further analysis the suggestions regarding the adjustment of the 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism.
3. Public authorities responsible for the implementation of the above mentioned Strategy:
-will undertake efficient measures regarding the implementation of the 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism and will offer regarding its adjustment;
-will submit to the Center for Combating Economic Crimes and Corruption, on semester basis, by no later than the 10th date of the month following the reporting period, the results regarding the implementation of each undertaken action, which will be generalized, and will present the respective report to the Government by no later than the 20th date of the same month;
-annually, by no later than January 15, will submit to the Center for Combating Economic Crimes and Corruption suggestions on the adjustment of the Actions Plan regarding the implementation of the 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism.
4. The director of the Center for Combating Economic Crimes and Corruption is responsible for the implementation of this Decision.

Adopted by the Government Decision nr.790
from September 3, 2010

2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism

Chapter I
Introduction

The Center for Combating Economic Crimes and Corruption (the Center) represents a law enforcement body, specialized in combating economic, financial and tax violations, as well as in combating of corruption.
The Center, in order to perform its duties, is entitled with the right to undertake operative- investigation actions, to conduct criminal prosecution and to perform economic and financial revisions of the legal entities and natural persons who are subjects of the entrepreneurship activity, to undertake measures regarding the prevention and combating of corruption, of economic and financial crimes, as well as of money laundering and financing of terrorism (ML/FT) through means of autonomous entitiy – Office for Prevention and Fight against Money Laundering (the Office).
All these actions contribute to creating financial stability as well as to the economic security of the state.
The Center, along with the National Bank of Moldova, National Commission for Financial Market, The Ministry of Justice, the Ministry of Information Technology and Communications, the Ministry of Finance and Customs Service is responsible for the regulation and control over the enforcement of the Law nr. 190-XVI from July 26, 2007 on prevention and combating of money laundering and financing of terrorism.
The strategic objective of the Office as a financial intelligence unit is to direct all of the efforts to ensure protection of the national financial and banking system as well as non banking one from the attempts of using it for illicit purposes by the national and transnational criminal groups.
Moreover, the main role of the unit is to provide mediation between the financial data regarding money laundering and financing of terrorism and the law enforcement bodies. Thus, after registering the financial information, the Office undertakes a complex stage analysis of the complete information flow, and further, if required, undertakes operative-investigation measures with the aim of detecting the component elements of the violation as a whole or of the violation scheme (typologies).
At the same time, the period of time from 2007 up till 2009 was marked by a qualitative improvement of the analytical process performed by the Office, which is due to the technical provision of the capacities regarding the pocessing of initial data.
Money laundering is an international phenomenon which most of time implies that transactions are being performed through means of different jurisdictions aimed at concealing the origin of the illegaly obtained financial resources.
Thus, the efficient measures fot combating this phenomenon are to be adopted on the international scale, therefore it is important to develope and strengthen the relevant international standards.
Moreover, in order to ensure an efficient system for combating money laundering and financing of terrorism (AML/CFT), the Office will cooperate with national and international authorities.
Since its establishment, the Office has actively participated in meetings organized by various international organizations and has initiated new colaboration agreements. Moreover, the member status of the Egmont Group in 2008 has contributed to an increase in international cooperation, thus creating new premises for combating money laundering and financing of terrorism.
The implementation of the AML/CFT national system has substantially contributed to the establishment of the conditions for creating the required environment for performing

transparent financial transactions. For financial institutions this fact reduces the risk of being exposed to financial frauds and to laundering the illegaly obtained funds, thus increasing the level of the reliability on the external markets as well as enhances the accuracy of the financial transactions.
Additionally, an efficient AML/CFT system represents an obstacle for violators, which intensify the process of appealing to financial institutions in the process of collecting and usage of illicit funds, thus the system becomes a key element in promoting stability of the national financial system.
All the efforts undertaken by the Office have contributed to registering a notable progress in building the AML/CFT system as well as have contributed to the implementation of the FATF recommendations (Financial Action Task Force which includes the effort undertaken by 35 member-countries in creating and promoting the policies on prevention and combating of money laundering and financing of terrorism at the national as well as international levels). Despite this fact, the requirements set by the time, international standards, including the evolution of overall violation processes set new priorities and challenges for the national AML/CFT system.
While representing a specialized subdivision for prevention and combating of money laundering and financing of terrorism, the Office performs the collection (storage), the analysis and processing of the information related to transactions and other suspicious activities, submitted by the reporting entities, undertakes operative-investigation measures, transfers the information and documents to the criminal prosecution bodies, exchanges information with similar foreign offices, participates in the process of implementation of the National Strategy for prevention and combating of money laundering and financing of terrorism.
Starting with the year 2007, for the first time in the Republic of Moldova was elaborated and implemented the National Strategy for prevention and combating of money laundering and financing of terrorism for the the following three years. The authorities involved in the process of implementation of the stipulations of the above mentioned Strategy have shown a professional attitutde which allowed to fulfill most of the objectives stipulated in the annual action plans. The advantages obtained are as follows:

1) a clear structure of the CML/CFT system;
2) compliance with the relevant international standards;
3) appropriate and viable legislation;
4) efficient collaboration between law enforcement and supervision bodies in the area of CML/CFT.

While some of the objectives have become perpertual and continue to be persistent, other ones have appeared as a result of recommendations issued by the specialized international organizations, including the recommendations of the MONEYVAL (the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism) and 40+9 FATF recommendations.
Thus, it will be performed a national risk assessment in the area of CML/CFT, which will allow to detect vulnerable financial sectors, legislative loopholes as well as new unsupervised reporting entities.
The performance of the above mentioned assessment will allow to define the policy priorities in the AML/CFT area as well to establish the objectives for the annual action plans.

Moreover, it is to be created a system for efficient implementation of the stipulations provided in the art. 14 from the Law nr. 190-XVI from July 26, 2007 related to the independent postponement of the account transactions by the reporting entities.
At the same time, special attention will be paid to the lack of efficient procedures on frezeeng and seizure of assets based on the UN list, the lack of measures regarding the monitoring of the funds obtained and transferred through non profit organizations, ensuring the confiscation of the goods representing an evidence (object) of the money laundering fraud, without the need to establish conviction for the primary violations from where the goods have resulted etc.
Taking into consideration the strong and the weak points of the experience regarding the implementation of the 2007-2009 Strategy, it was necessary to elaborate and adopt a new National Strategy in this domain for a period of three years (2010-2012).

The 2010-2012 National Strategy for prevention and combating of money laundering and financing of terrorism (the Strategy) represents a transparent document which stipulates for both civil society and international community the types of measures which will be undertaken by the Republic of Moldova in this area, by involving both NGOs and specialized international institutions for cooperation.
The problem of money laundering and financing of terrorism has stopped to be exclusively considered a concern of the law enforcement bodies. Due to major negative consequencies, it represents a problem of all public authorities, private structures and NGOs, of the entire civil society.
An important contribution to the policy regarding prevention of money laundering and financing of terrorism, especially, in involving civil society to participate in these actions and keeping it informed about the risks and negative effects of the phenomenon of money laundering and financing of terrorism, a remarkable role is attributed to mass-media, NGOs, public authorities, both directly and indirectly involved in the process of prevention and combating of money laundering and financing of terrorism, in raising public awareness about the phenomenon by organizing press conferences, regular publication of the articles which describe the measures undertaken etc.
Education and public awareness also represent an aspect of the prevention of the money laundering and financing of terrorism phenomena. It can be achieved through means of practical guides containing useful information, the instruction of the population regarding risks and the types of frauds characteristic to this domain etc., as well as the development of an attitude of intolerance towards any form of manifestation of money laundering and financing of terrorism.
This document establishes Government priorities regarding the combating of money laundering and financing of terrorism for the next three years. Moreover, there will be identified the aims and objectivies which are to achieved during this period of time. While the Stratey, sets forward the objectives and principles of the development of the national AML/CFT system, annual plans will include actions which should be undertaken in order to achieve objectives and which will evolve along with the changes in this field.
The Center is the institution responsible for the implementation of the Strategy, achieved through the usage of its autonomous subdivision's capacities – the Office for Prevention and Fight agains Money Laundering ranked with the priority role within the system of specialized central authorities in this particular area.

Chapter II
Basic principles of Strategy implementation
Efficiency principle

Each institution responsible for the implementation of the Strategy has an objective of improving the activity regarding the prevention and combating of money laundering and financing of terrorism within the limits of its competence, through means of optimum distribution of scarce resources to the sectors implying high level of risk.

Value creation principle

The principle implies the creation of the value for the activities performed in the area of AML/CFT. Thus, for example, once the Office will identify the way how various money laundering schemes as well as other frauds committed within country's financial system function, it will create value by providing the analysis and overview of data collected, which will finally allow, together with the partners within the Strategy framework, the application of both combating and prevention measures.

Interaction and collaboration principle

The successfulness of the activity regarding prevention and combating of money laundering and financing of terrorism directly depends on the exchange efficiency on national and international levels.

At the same time, the level of interaction both at the stage of investigation and at the stage of criminal prosecution plays a decisive role in combating complex law violations.

Moreover, the Strategy represents an instrument in ensuring cooperation between state authorities, non governmental and international institutions aimed at combating money laundering and financing of terrorism.

Advanced technology principle

Given the advancement in means and methods used by the violators, the evolution of the advanced technology including the informational one is absolutely necessary for combating violations regarding money laundering and financing of terrorism.

Moreover, the complexity of the investigations performed requires a type of software specific to this area.

Legal principle

The strategy pursues the correct and efficient implementation of the provision of laws as well as of the normative acts associated with laws and international acts which regulate the process of combating money laundering and financing of terrorism. While representing an implementation instrument of the respective legislative framework, the Strategy cannot contain measures and actions which do not comply with it.

Opportunity principle

All the actions stipulated in annual plans have to be implemented qualitatively and on time. This principle should be strictly respected since the objectives have direct and indirect connections, and in case when actions will not be qualitatively implemented and

will pass the deadlines established, it will be interrupted the logical chain of actions which in turn will affect the final outcome.

Professionalism principle
The Strategy implies the activities of improving management and implementation skills of all institutions and persons involved in the process of combating money laundering and financing of terrorism.

Transparency principle
Successfulness of any strategic document depends on the degree of its social acceptance. The authorities responsible for combating money laundering and financing of terrorism cannot neglect the communication component of the process of combating the above mentioned phenomena. However, transparency should not be overrated. Some of the information characterized by limited accessibility or which represents a commercial, banking or professional secret cannot be disclosed. Therefore, the transparency principle should not be invoked for soliciting or providing the information which is not subject to transparency.
The implementation of all of the above mentioned principles will determine empirical, multidimensional and multi institutional character of the Strategy.

Chapter III
Objectives and expected results

The main objective of this strategy is to identify and reduce the vulnerability of bank-financial and non-bank sector against money laundering abuse and terrorist financing. First, because of the continued integration of the domestic financial system into the global economy and expanding business relations with operators in other countries.
This strategy can be considered achieved if the following objectives will be achieved:

1. protecting the domestic financial system through measures to combat ML / FT (indicators, quantity);
2. strengthening institutional capacity in AML / CFT;
3. consistent and effective implementation of prevent measures of ML / FT;
4. improving the existing legal framework in accordance with the current phenomenon of money laundering and terrorist financing, including international standards;
5. ensuring an effective cooperation both domestically as well as international in AML / CFT;
6. implementing the recommendations of international organizations, including FATF and MONEYVAL etc.
7. ensuring transparency and public information on AML / CFT.

Any of these objectives will influence the local system of AML and CFT. Thus, each objective will include various actions to be completed within the deadlines set by each responsible institution.

Protecting domestic financial system through measures to prevent and combat ML / FT

Each institution will take steps within its competence to reduce the risk of money laundering and terrorist financing in Republic of Moldova. Prevention and control measures are multidimensional and include a diverse range of activities.
Thus, supervisory institutions as reporting entities, will verify implementation of their own programs to prevent and combat money laundering and terrorist financing.
However, it will be established a viable system of interaction of law enforcement and supervisory institutions, through including pecuniary liability for reporting entities that have avoided to implement the recommendations of supervisory institutions.
Combating ML / FT will directly involve law enforcement and Office for Prevention and Combating Money Laundering, which will identify new money laundering schemes, will seize financial assets of suspicious origin, and will charge with criminal offences persons suspected of money laundering and other predicate offenses.
However, law enforcement agencies involved in implementing this strategy will consider identified criminal schemes through money laundering and terrorist financing predicate crimes.
As a result of diversified flow of information and its complex analysis, law enforcement identifies new typologies of money laundering and terrorist financing offences and their predicate crimes.
These are to be displayed in the annual activity reports that are presented to regulatory authorities and media specialist.

Strengthening AML / CFT institutional capacity building
To ensure effective implementation of institutional goals which result the adjustment of internal system. Thus, each responsible institution will effectively manage human and material resources as it will allow the implementation of annual action plans measures.

Consistent and effective application of measures to prevent money laundering and terrorist financing
This objective will enable a system of monitoring the proper execution of the law mentioned above.
Will be intensified the work on explaining the reporting entities about the mission of legislative acts in the field, and the mechanism of their provisions implementation.
Supervisory institutions, together with law enforcement and other institutions, during the activity will identify vulnerable areas of money laundering in both financial and real economy sectors, and will identify optimal solutions for minimizing risk in the field. In this sense, they will adjust their internal control procedure and automatically checks (off cite control).

Improving the existing legal framework in accordance with the current phenomenon of money laundering and terrorist financing, including international standards
All institutions responsible for implementing this strategy will contribute according to ability, to form a proper regulatory framework in the field, according to international standards and recommendations of specialized organizations

Ensuring effective collaboration both nationally, and internationally in AML / CFT

Currently, with the rapid evolution of payment systems and transnational groups involved in committing crimes of money laundering, the efficiency and effectiveness of combating this phenomenon is directly dependent on the structure and quality of relations with the specialized authorities in different jurisdictions.
However, the international community has joined efforts by creating international organizations intended to facilitate the exchange of information between law enforcement and financial intelligence units from different countries.
Due to efforts in the previous strategy, Republic of Moldova joined the Egmont Group and the CARIN network.
Currently it is necessary to develop relations with these structures and to sign memoranda of cooperation with countries where Republic of Moldova traditionally perform economic and financial banking relations.
Similarly, an exchange of information among law enforcement agencies in the country is essential in investigating complex cases of illegal income legalization.

Implementing the recommendations of specialized international organizations, including MONEVAL, FATF etc.
In order to match international standards, Moldova is to undertake all procedures related to the regulatory, institutional and methodological framework adjustment to FATF, MONEYVAL, CARIN, Egmont Group, EAG etc. requirements.
In this sense, all institutions involved in implementation of this strategy are to capitalize on the intake questionnaires, evaluation sheets and to develop analytical notes on the record evidence and progress in preventing and combating money laundering and terrorist financing.

Ensure transparency and public information on AML / CF
Whatever the achieved results of the present strategy are, it is important the feedback effect from civil society, as well as from reporting entities and professional associations. The effect of this relationship will allow the assessment to achieve objectives and to identify future priorities.
Also, a consistent information flow will help to increase society's credibility in institutions involved in the process and intolerance against ML / FT.

Chapter IV
Accomplishment of strategy objectives

In order to achieve goals, decisive measures and activities are to be executed:

1. channeling resources to the prevention and combating ML / FT;
2. accessing international assistance to implement this strategy;
3. accurate and in time accumulation and storage of statistical data to exclude possible data errors;
4. intensifing collaboration with international institutions (MONEYVAL, EAG, FATF, Egmont Group, CARIN etc.) for international experience sampling and presentation of national progress achieved in the field

5. regular and detailed information of population and international community on its achievements and future projects in AML / CFT.

In this regard, it was elaborated an Action Plan on implementing the National Strategy for preventing and combating money laundering and terrorist financing for the years 2010-2012 (Annex to this Strategy).
The plan will include objectives set nominated in the Strategy, the actions to be executed to achieve their performance deadlines, responsible institutions, monitoring indicators and expected results.
Periodically, based on monitoring indicators, will be made an assessment of implementation of this strategy, which will allow an objective review of the annual Action Plan provisions.
Centre for Combating Economic Crimes and Corruption, through specialized subdivision, mainly Office for Prevention and Combating Money Laundering will become the main body, tasked with coordinating and supervising the progress of implementation of this strategy.

Chapter V
Output indicators

During the monitoring of this Strategy will be used a set of indicators, depending on the established objectives, as follows:

Protecting domestic financial system through measures to combat ML / FT:
1. number of money laundering predicate crimes detected in financial banking and non-bank system;
2. number of suspended bank accounts and amount of funds in accounts;
3. number of delinquent firms identified and amounts received as a result of their prosecution:
4. number of criminal money laundering schemes identified and stopped;
5. number of recommendations made by the reporting entities on vulnerable sectors and segments of money laundering and terrorist financing.

Strengthening AML / CFT institutional capacity building:
1. number of national and international trainings and seminars on AML / CFT with participation of public officials;
2. number of analytical and statistical programs installed and used by public officials and regarding analysis and processing of statistical data and information exchange in AML / CFT.

Consistent and effective application of measures to prevent money laundering and terrorist financing:
1. reporting entities share with lack of own programs to prevent and combat money laundering and terrorist financing and measures taken to redress the situation;
2. reporting entities that have but do not use programs to prevent and combat money laundering and terrorist financing;

3. number of analytical notes prepared on supervised sectors on the facts and proposals for recovering AML / CFT.

Improving the existing legal framework in accordance with the current phenomenon of money laundering and terrorist financing, including international standards:

1. number of draft legislation prepared, modified and approved regarding the implementation of recommendations and international standards in the field.

Ensuring effective collaboration both nationally, and internationally in AML / CFT

1. number of information and analytical notes prepared by institutions responsible for implementing this strategy addressed to the Centre for Combating Economic Crimes and Corruption and other law enforcement regarding illicit actions identified in the activities of supervised entities ;
2. number of signed agreements on information exchange in the field with similar services in other countries.

Implementing the recommendations of specialized international organizations, including MONEVAL, FATF etc.

1. implementation level of international organizations recommendations in the field;
2. number of questionnaires completed and submitted to international organizations in AML/CFT.

Ensure transparency and public information on AML / CF:

1. number of press releases on prevention and combating ML / FT placed on the websites of similar institutions;

2. number of TV and radio shows in the field attended by officials concerning prevention and combating ML / FT;

3. number of complaints regarding ML / FT, received and resolved.

Chapter VI
Financing

Each responsible institution will identify, when necessary, the budgetary resources necessary for carrying out annual action plans from both their own and by accessing assistance of international organizations.

Chapter VII
Terms and responsibilities

Once in a semester and annually, the reporting institutions will prepare and submit to the Centre for Combating Economic Crimes and Corruption reports regarding the accomplishment of annual Action Plan objectives.

Chapter VIII
Conclusions

The elaboration and implementation of the present Strategy demonstrates a qualitatively new stage in approaching the phenomenon in Republic of Moldova, as well as the maturity of steps taken in this regard based on strategic reactions of all relevant institutions in the state.
Also, the Strategy will integrate into the pace of economic recovery under the program of the Government "Freedom, Democracy and Welfare".
This document, which conjugates all existing forces in the state, including civil society, will allow the upward trend of countermeasures to money laundering and terrorist financing in Moldova. However, it will be possible to coordinate actions within the compliance procedures Republic of Moldova is subject of, and the evaluation made by specialized international bodies.

ORDERS

- **Order No. 96 of 29th June 2011 on the Organisation and Functioning of the OPFML issued by the Director of the Centre for the Combating of Economic Crime and Corruption ("CCECC")**

On the operation of amendments to the Regulation on the organization and functioning of the Service for the Prevention and Combating of Money Laundering set out in the Attachment to the Order no. 50 of 01st April 2010 on the approval of Regulations of CCECC subdivisions, their structural units and job instructions

Based on the provisions of the Law no. 67 dated 07.04.11 on the operation of amendments and additions into the Law no. 190-XVI dated 26.07.07 on the prevention and combating of money laundering and financing of terrorism, as well as into the provisions of the Law no.1104-VI dated 06.06.2002 on the Centre for the Combating of Economic Crimes and Corruption (Official Monitor of the Republic of Moldova no. 69/173 dated 23.04.2011 and Official Monitor of the Republic of Moldova no.91-94/668 dated 27.06.2002) -

ORDERS:

To set out the Regulation on the organization and functioning of the Service for the Prevention and Combating of Money Laundering set out in the Attachment to the Order no. 50 of 01st April 2010 on the approval of Regulations of CCECC subdivisions, their structural units and job instructions in the wording provided below.

Director Viorel CHETRARU

Attachment to
the Order of
CCECC no. 96
dated 29 June
2011

ACTIVITY REGULATION
Of the Service for the Prevention and Combating of Money Laundering

Chapter I
Generalities

1. This regulation determines the status, the main functions, rights and the organization layout of the Service for the Prevention and Combating of Money Laundering (hereinafter referred to as Service).

2. The Service is the body responsible for the prevention and combating of prevention and combating of money laundering and financing of terrorism in the Republic of Moldova, as well as coordination and supervision of activities conducted by the authorities and institutions directly or indirectly involved in this process.

3. In its activity the Service is based on the Constitution of the Republic of Moldova, on the international treaties to which the Republic of Moldova is party, on the Law no. 190-XVI dated 26.07.07 "On the prevention and combating of money laundering and financing of terrorism", Law no. 1104-XV dated 06.06.2002 „On the Centre for the Combating of Economic Crimes and Corruption", departmental normative acts of the Centre and on the present Regulation.

Chapter II
Tasks and functions of the Service

4. The Service operates as a special authority with the status of independent subdivision within the Centre for the Combating of Economic Crimes and Corruption.

5. The activities of the Service are financed from the funds of the state budget allocated by the Government of the Republic of Moldova, as well from the sponsorships of international projects.

6. The Service performs the following basic tasks:

- prevention and combating of money laundering and financing of terrorism;
- elaboration and implementation of policies and strategies in prevention and combating of money laundering and financing of terrorism in the Republic of Moldova;
- coordination and implementation of applicable international standards.

7. For the achievement of its statutory scopes the Service shall perform the following:

a) Accepts, analyzes, processes and transmits the information on suspicious activities and transactions provided by the reporting entities in accordance with the provisions of the Law no. 190-XVI dated 26.07.07;

b) Informs the criminal pursuit and other competent authorities of reasonable suspicions in money laundering, financing of terrorism and other crimes relevant to the generation of illicit income;

c) Elaborates regulations, recommendations and normative acts for the harmonization of national documents and by-laws with the provisions of international norms;

d) Solicits and receives information and any necessary documents from the reporting entities and public authorities for the determination of suspicious activities or transactions;

f) Issues decisions on the suspension of suspicious activities or transactions;

g) Communicates to the reporting entities, upon necessity, the results of examination of reports filed by the latter, publishes periodical activity reports;

h) Provides methodological support to the reporting entities in the prevention and prevention and combating of money laundering and financing of terrorism;

i) Cooperates and exchanges information with the similar services of other countries, with international organizations specialized in the prevention and combating of money laundering and financing of terrorism;

j) Creates the informational system in its domain of activity and provides for its due functioning;

k) At the request of other authorities supervising the reporting entities, takes part in the conduction of controls and checks of the adherence to the provisions of the Law no. 190-XVI dated 26.07.07 by the said reporting entities;

l) Collects and analyzes the statistical data related to the efficiency of the system of prevention and combating of money laundering and financing of terrorism, including the number of declarations of suspicious transactions, number of instituted criminal cases and condemned persons, as well as the data on the suspension of transactions, seizure and confiscation of income derived from money laundering and financing of terrorism;

m) Elaborates the National Strategy for the prevention and combating of money laundering and financing of terrorism and coordinates the activity of all institutions involved in its implementation;

n) Provides for the exchange of data with the public authorities, informs the competent authorities of the causes and conditions facilitating the money laundering crimes, financing of terrorism and illicit activities of other kinds;

o) Elaborates proposals and initiates the adjustment of national normative acts to the applicable international regulations;

p) Identifies the risk factors for the economic security of the Republic of Moldova, accumulates and analyzes the data on the status, dynamics and trends of money laundering crimes and financing of terrorism;

q) Exercises other authorities, depending on the tasks established by the legislation.

Chapter III
Obligations and rights of the Service

8. In the execution of its authority the Service is bound by the following obligations:

a) To act in strict compliance with the Constitution of the Republic of Moldova, with the Law no. 190-XVI of 26.07.07, with the present Regulation and other normative acts;

b) To undertake actions for the prevention and combating of money laundering and financing of terrorism;

c) To conduct the operative investigation activities for the combating of money laundering and financing of terrorism;

d) To identify the violations of applicable laws and to apply sanctions, within the limits of competency;

e) To administer processes in the cases of administrative offences, within the limits of competency;

f) To receive and register the information provided by the reporting entities, to verify and analyze it in accordance with the applicable laws;

g) To provide for the training, re-qualification and upgrade of staff;

h) To provide for the protection and security of state, banking and commercial secrets, as well as any other secrets protected by the laws, as may become known to the Service in connection with the exercise of authorities.

9. During the exercise of authorities and obligations the Service shall have the following rights:

a) To issue orders, decisions and recommendations to the reporting entities within the limits of competency relating to the prevention and combating of money laundering and financing of terrorism, to make proposals on the removal of causes and conditions contrary to the efficient implementation of national policy;

b) To approve the Guidance on suspicious activities and transactions, the instructions on the production and presentation of special forms relating to the reported activities or transactions, the special forms for reporting entities, the guidance on the identification of transactions suspected of financing of terrorism, the guidance on the identification of politically exposed persons, the instruction on the prevention of use of the national banking and non-banking systems for the legalization of illicit proceeds and financing of terrorism, as well as any other instructions necessary for the proper implementation of policies aimed at the recovery of illicit income, prevention and combating of financing of terrorism;

c) To request and receive from the public authorities, enterprises, institutions and organizations, reporting entities independently of the type of property any information necessary for the proper exercise of authorities;

d) To verify and to monitor the application of the Law no. 190-XVI dated 26.07.07 on the requirements to the collection, registration, storage, identification and presentation of data on the transactions, as well as the implementation of internal control activities and procedures;

e) To suspend the execution of transactions suspected of money laundering and/or

financing of terrorism;

f) To establish the violations of applicable laws and apply sanctions within the limits of competency;

g) To organize the training and professional upgrade of staff, to participate in scientific-practical conferences, workshops and other events at both national and international level;

h) To represent the Republic of Moldova at specialty forums and international organizations where the Republic of Moldova is party.

Chapter IV
Organization of activities

10. The Service is independent in the elaboration of its activity programs, decision-making and implementation of its tasks.

11. The Service is managed by the Chief designated by the Director of the Centre for the Combating of Economic Crimes and Corruption and removed from office in accordance with the procedure provided by the laws.

12. The chief of the Service has a deputy who is designated and removed from office by the director of the Centre at the proposal of the chief.

13. For the proper exercise of its authority the Service shall have its own staffing scheme determined by the Centre for the Combating of Economic Crimes and Corruption and approved by the Government.

14. The staff of the Service shall include specialists designated based on their professional capacity and knowledge in economics, accounting, law and ability to perform banking and non-banking analytical activity.

15. The staff of the Service is employed in accordance with the provisions of the Law no. 1104-XV of 06.06.2002 on the Centre. The designation and removal of staff from office are effected by the director of the Centre at the proposal of the chief of service, based on he decisions of specialty commissions.

16. The staff of the Service shall benefit of the rights and guarantees and abide by the obligations, interdictions and restrictions provided by the laws for the officers of the Centre, as well as by the Law no. 190-XVI dated 26.07.07 on the prevention and combating of money laundering and financing of terrorism.

17. The chief of the Service presents annual reports on the activities of the Service for the Prevention and Combating of Money Laundering to the director of the Centre, as well as any other reports upon request.

18. The annual activity reports containing the analyses and evaluation of received data, as wells the trends in the field of prevention and combating of money laundering and financing of terrorism are presented to the authorities, competent institutions and mass-media empowered to perform monitoring and control.

19. The annual activity reports are placed on the official web-page of the Centre for the Combating of Economic Crimes and Corruption in the compartment of the Service for the prevention and combating of money laundering, recorded on CDs and published in brochures, as the case may be.

Attachment to the
CCECC Order no.
96 of 29th June
2011

The Office for Prevention and Fight Against Money Laundering as a specialized body and an independent subdivision of the Center for the Combating of Economic Crimes and Corruption, pursuant to the functional duties provided in the Law no. 190-XVI of 26.07.07 on the prevention and fight against money laundering and financing of terrorism and pursuant to this Regulation, has its internal structure organized into subdivisions responsible for the strategic analysis, tactics, financial investigations and external relationships.
The distribution of human, material and financial resources is done by the chief of OPFAML for the sake of efficient execution of duties provided by the national laws and international principles in the matters of prevention and fight against money laundering and financing of terrorism, as well as any approved recommendations, guidance documents and methodologies in this domain.
The Center for the Combating of Economic Crimes and Corruption, upon the request of the chief of Office for Prevention and Fight Against Money Laundering shall identify and delegate officers for providing all the necessary assistance to the OPFAML based on the instructions of the chief of Office.
In accordance with the staffing scheme the Office for Prevention and Fight Against Money Laundering is staffed by a chief, one deputy chief of Office, 10 principal inspectors and 5 senior inspectors, their job instructions being provided below:

JOB INSTRUCTION
Chapter I. General provisions

Public authority: Center for the Combating of Economic Crimes and Corruption

Subdivision: Office for Prevention and Fight Against Money Laundering

Address: 198 Stefan cel Mare Boulevard, Chisinau municipality

Title: Chief of service

Title level: Supreme and middle command corps

Salary level: The salary rate is determined based on the provisions of the Governmental Decree no.650 of 12th May 2006

Chapter II. Job description

General scope of title:
Contribution to the efficient activity of OPFAML and formation of a professional team for the proper implementation, monitoring and control of activities in prevention and fight against money laundering and financing of terrorism, implementation of major tasks of the Service, taking measures for the implementation of state policies in the prevention and fight against money laundering and financing of terrorism.

Main duties:

1. Coordinates the process of implementation of state policy and laws in the matters of prevention and fight against money laundering and financing of terrorism;
2. Coordinates the professional development process of the office staff members;
3. Manages the Office for Prevention and Fight Against Money Laundering

Specific job duties:

1. organizes and runs the Office activities;
2. determines and distributes and authorities of deputy and Office staff;
3. manages and controls and Office activity according to the tasks delegated to each officer and in accordance with the internal organizational structure, provides for the distribution of human, material and financial resources;
4. approves the work plans;
5. determines the tasks and approves the job duties of subordinated stuff;
6. verifies the analytical notes and orders the sending thereof for examination to the competent authorities;
7. organizes the statistical accounting in the Office;
8. participates in the work meetings on complex cases;
9. represents the Office in relationships with the law enforcement authorities, other competent ministries and department, including non-governmental organizations;
10. initiates orders, dispositions, indications, normative and legal acts referring to the activities of the Office;
11. conducts operative meetings with the subordinated staff or with the participation of specialists delegated from the other subdivisions of the Center;
12. suspends the suspicious transactions or activities of corporate entities and private individuals – subjects of entrepreneurial activity on their accounts with banks and other financial institutions, as well as their professional activity upon detection of connections with money laundering and financing of terrorism or predicates thereof;
13. exchanges data with public authorities and competent bodies referring to the causes and conditions facilitating the commission of illicit activities;
14. initiates, cooperates for and promotes the conclusion of bilateral agreements with the similar services of other countries;
15. provides for the exchange of data with the competent services of other countries based on the respective conventions, treaties and agreements;
16. undertakes measures for the assurance of internal safety of the Service and subordinated staff, for the protection of state secrets and other secrets protected by the laws;
17. presents reports to the public, as well as information and recommendations in matters of prevention and fight against money laundering and financing of terrorism,
18. initiates and presents proposals for bringing the normative acts in accordance with the international regulations, as well as for the optimization of the Office's internal structure;

19. provides for the selection, distribution, education and training of staff, observation of applicable laws, job discipline;
20. initiates procedures of staff admission, sanctioning, transfer and dismissal;
21. presents proposals as to the internal investigations, sanctioning and stimulation of officers, promotion and demotion of staff;
22. approves the schedule of leaves within the Office;
23. performs any other functions associated with the specifics of title, as provided by the laws.

Responsibilities:

- Responsible for technical coordination, implementation and monitoring of measures aimed at prevention and fight against money laundering and financing of terrorism, coordination of analytic activity and international collaboration;
- Responsible for the timely examination of petitions and other applications;
- Responsible for the rational planning of Office activity, qualitative and timely execution of tasks provided in the Office activity plan and strategy, knowledge and application of laws by the officers, including the application of Office organization and functioning regulation, guidance documents, international standards and methodologies.

Authority:

- Makes decisions on the organization and activities of Office, evaluation of officers; proposes drafts of decisions on the stimulation and sanctioning of officers;
- Represents the Office in relationships with other state structures, central and local public authorities, international organizations and non-governmental organizations within his domains of competence;
- Exercises the job duties in various situations of justified professional risk, even in the presence of constitutive elements providing for disciplinary, administrative or criminal liability.

Accountable persons: all officers of the Office for Prevention and Fight Against Money Laundering are accountable to the chief of Office for Prevention and Fight Against Money Laundering.

Substituting persons: the chief of Office for Prevention and Fight Against Money Laundering may be substituted, upon necessity, by the deputy chief of Office.

Internal cooperation:

- With the management of law enforcement authorities;
- With the officers of the Office for Prevention and Fight Against Money Laundering;
- With the chiefs and officers of CCCEC subdivisions and other law enforcement authorities.

External cooperation:

- With the officers of public authorities;
- With training service providers;

- With various international projects and programs relevant for his/her field of competence;
- With national and international governmental and non-governmental institutions and organizations;
- With specialty local and international consultants.

Used tools/equipment:

- Official Monitor of the Republic of Moldova, collections of normative acts;
- Computer, printer, telephone, fax;
- Transportation vehicles, special technical tools; Internet;
- Specialized analytical software;
- Manuals, methodological and informational materials in the matters of prevention and fight against money laundering and financing of terrorism;
- Periodical financial press;
- Publications of specialized international institutions;
- Dictionaries etc.

Conditions of labor:

- Activity schedule: flexible, availability to work overtime upon necessity, including on holidays;
- Work schedule: specific, one hour lunch break.
- Business trips to public authorities within the country and abroad.

Chapter III. Personal requirements

Education

Higher education, license or equivalent degree, preferably in Law or Economics. At least one scientific degree is a must.

Professional experience: a minimum of 10 years of professional activity in law enforcement authorities or in financial system.

Knowledge:

- Knowledge of applicable laws;
- Knowledge of foreign languages;
- Computer skills: Microsoft Office, Internet Explorer etc;
- Knowledge of specialized databases and specialized analytical software.

Abilities: ability to work with information, planning, organization, decision making, analysis and synthesis elaboration of documents, argumentation, presentation, self-training, motivation, self-mobilization and ability to work in team, solution of problems, conflict management, efficient communication.

Attitudes/behavior: respect for the citizens, spirit of initiative, diplomacy, creativity, flexibility, discipline, responsibility, resistance to effort and stress, tendency for continuous professional development.

JOB INSTRUCTION
Chapter I. General provisions

Public authority: Center for the Combating of Economic Crimes and Corruption

Subdivision: Office for Prevention and Fight Against Money Laundering

Address: 198 Stefan cel Mare Boulevard, Chisinau municipality

Title: Deputy chief of Office

Title level: Supreme and middle command corps

Salary level: The salary rate is determined based on the provisions of the Governmental Decree no.650 din 12th May 2006

Chapter II.

Job description

General scope of title:
Facilitating the efficient activity of CCCEC and formation of a group of professionals in the implementation, supervision and control of actions aimed at prevention and fight against money laundering and financing of terrorism.

Main duties:
1. Coordinates the process of implementation of the state policy and laws in the matters of prevention and fight against money laundering and financing of terrorism;
2. Coordinates the process of professional development of Office staff;

Specific job duties:

- 1. organizes and manages the reception of data on the private individuals and corporate entities of the financial and banking sector involved in the money laundering and financing of terrorism and other associated crimes;
- 2. manages the activity of Office staff;
- 3. manages the collaboration of Office with the subdivisions of the Center, competent ministries and departments, including the ones from abroad;
- 4. conducts operative investigations;
- 5. receives, systematizes and analyzes the information received from the served branches on the combating of money laundering and financing of terrorism;
- 6. determines the main activity directions, forms and advanced methods of work in prevention and fight against money laundering and financing of terrorism, elaborates methodological instructions on the basis thereof;
- 7. assures the provision of practical and methodological assistance to the Center's territorial subdivisions in the matters of prevention and fight against money laundering and financing of terrorism;

8. analyzes the criminogenic situation in the domains served by the Office and provides operative coverage;
9. verifies and keeps under control the operative dossiers instituted by the officers in the financial-banking and non-banking sector in the matters of combating of money laundering and financing of terrorism and other associated crimes;
10. takes under control the operative dossiers instituted against the persons connected with inter-regional and transnational money laundering and financing of terrorism;
11. performs the duties of the chief of Office in the times of his absence.

Responsibilities:

- responsible for the correct accounting of operative dossiers in the Office;
- responsible for the technical coordination, implementation, supervision and control of measures aimed at prevention and fight against money laundering and financing of terrorism, as well as for the international coordination in this domain;
- responsible for the timely examination of petitions and other applications within the limits of competence;
- responsible for the rational planning of Office activities, proper and timely implementation of actions included into the Office's activity plan, as well as for the assurance of knowledge of the Office organization and functioning regulation by the staff.

Authority:

- makes decisions as to the organization and functioning of Office, evaluation of officers; proposes draft decisions for the stimulation and sanctioning of staff;
- Represents the Office in relationships with other state structures, central and local public authorities, international organizations and non-governmental organizations within his domains of competence;
- Exercises the job duties in various situations of justified professional risk, even in the presence of constitutive elements providing for disciplinary, administrative or criminal liability.

Accountable to: the deputy chief of Office for Prevention and Fight Against Money Laundering is accountable to the chief of Office.

Accountable persons: all the officers of the Office for Prevention and Fight Against Money Laundering are accountable to the deputy chief of the Office for Prevention and Fight Against Money Laundering.

Substituting persons: Deputy chief of the Office for Prevention and Fight Against Money Laundering may substitute the chief of Office upon necessity.

Substituting persons: Upon necessity the deputy chief of the Office for Prevention and Fight Against Money Laundering may be substituted by a person designated by order.

Internal cooperation:

- With the management of law enforcement authorities;
- With the officers of the Office for Prevention and Fight Against Money Laundering;
- With the chiefs and officers of CCECC subdivisions.

External cooperation:

- With the officers of public authorities, including the law enforcement authorities;
- With training service providers;
- With various international projects and programs relevant for his/her field of competence;
- With national and international governmental and non-governmental institutions and organizations;
- With specialty local and international consultants.

Used tools/equipment:

- Official Monitor of the Republic of Moldova, collections of normative acts;
- Computer, printer, telephone, fax;
- Transportation vehicles, special technical tools;
- Specialized analytical software;
- Internet;
- Manuals, methodological and informational materials in the matters of prevention and fight against money laundering and financing of terrorism;
- Publications of specialized international institutions;
- Periodical financial and banking press, dictionaries etc.

Conditions of labor:

Activity schedule: flexible, availability to work overtime upon necessity, including on holidays;

- Work schedule: specific, one hour lunch break.
- Business trips to public authorities within the country and abroad.

Chapter III. Personal requirements

Education

Higher education, license or equivalent degree, preferably in Law or Economics.

Professional experience: a minimum of 5 years of professional activity in the law enforcement authorities or financial system.

Knowledge:

- Knowledge of financial-banking legislation and operative investigation activity;
- Advanced knowledge of the principles of financial-banking and non-banking systems of the Republic of Moldova;
- Knowledge of foreign languages;
- Computer skills: Microsoft Office, Internet Explorer etc.;
- Knowledge of specialty databases and analytical programs.

Abilities: ability to work with information, planning, organization, decision making, analysis and synthesis elaboration of documents, argumentation, presentation, self-training, motivation, self-mobilization and ability to work in team, solution of problems, conflict management, efficient communication.

Attitudes/behavior: respect for the citizens, spirit of initiative, diplomacy, creativity, flexibility, discipline, responsibility, resistance to effort and stress, tendency for continuous professional development.

JOB INSTRUCTION
Chapter I. General provisions

Public authority: Center for the Combating of Economic Crimes and Corruption

Subdivision: Office for Prevention and Fight Against Money Laundering

Address: 198 Stefan cel Mare Boulevard, Chisinau municipality

Title: principal inspector of office

Title level: executive

Salary level: The salary rate is determined based on the provisions of the Governmental Decree no.650 din 12th May 2006

Chapter II. Job description

General scope of title:
Taking measures within the limits of competence for the prevention and fight against money laundering and financing of terrorism

Main duties:

1. receives, systematizes, analyzes and transmits information by competence on the transactions and activities suspected of money laundering, financing of terrorism and associated crimes presented by the reporting entities in accordance with applicable laws.
2. detects and documents the crimes associated with or based on the money laundering and financing of terrorism, conducts operative investigation activities;
3. in a proper and timely manner examines the applications received from reporting entities, state authorities, corporate entities and private individuals in the matters of combating of money laundering and financing of terrorism;
4. verifies the observation of normative acts in the matters of prevention and fight against money laundering and financing of terrorism by the reporting entities within the limits of competence.

Specific job duties:

1. executes the orders and instructions of OPFAML management;
2. follows the internal regulation of the Office, the modality of using data and other normative acts;

3. identifies and suppresses the criminogenic evolution in the served domain;
4. observes the state secret and other information protected by the law;
5. conducts operative investigation activities;
6. prepares the necessary materials for the suspension of transactions and activities suspected of money laundering, financing of terrorism and associated crimes;
7. produces methodological instructions and dispositions for the served domain;
8. elaborates various analytical notes in accordance with this Regulation, methodologies, approved recommendations and requirements of the Office management;
9. prepares the necessary materials and conducts the training of reporting entities;
10. prepares drafts of normative acts in the domain of activity;
elaborates the necessary materials for the representation of the Office at various national and international events;
11. presents information on the progress achieved in prevention and fight against money laundering and financing of terrorism to the specialized international organizations.
12. provides for the proper functioning of databases and computers in the Office;
13. elaborates periodical and non-periodical information notes on the performed activities;
14. permanently and systematically improves his/her professional skills by self-education;
15. provides methodological and practical support to the senior inspectors of the Office.

Responsibilities:

1. responsible for the quality of elaborated analytical notes;
2. responsible for the observation of procedures at all the stages of elaboration of analytical notes and sending thereof for examination by the lines of competence;
3. responsible for the legality of decisions adopted on the basis of produced minutes.

Authority:

- participates as an expert in the criminal pursuit activities in accordance with the laws;
- presents reports on the information obtained in the matters of prevention of money laundering and financing of terrorism;
- Exercises the job duties in various situations of justified professional risk, even in the presence of constitutive elements providing for disciplinary, administrative or criminal liability;
- Exercises any other obligations provided by the applicable laws, normative acts and instructions of the Office management.

Accountable to: the principal inspector of the Office for Prevention and Fight Against Money Laundering is directly accountable to the chief of Office or to the deputy chief of Office, in his absence.

Substituting persons: the principal inspector of the Office for Prevention and Fight Against Money Laundering may be substituted by a person designated by order.

Internal cooperation:

- With the management of OPFAML;
- With the officers of the Office for Prevention and Fight Against Money Laundering;
- With the chiefs and officers of CCECC subdivisions.

External cooperation:

- With the officers of public authorities;
- With training service providers;
- With various international projects and programs relevant for his/her field of competence;
- With national and international governmental and non-governmental institutions and organizations;
- With specialty local and international consultants.

Used tools/equipment:

- Official Monitor of the Republic of Moldova, collections of normative acts;
- Computer, printer, telephone, fax;
- Transportation vehicles, special technical tools;
- Specialized analytical software, internet;
- Manuals, methodological and informational materials in the matters of prevention and fight against money laundering and financing of terrorism;
- Periodical financial and banking press;
- Publications of specialized international institutions;
- Dictionaries etc.

Conditions of labor:

- Activity schedule: flexible, availability to work overtime upon necessity, including on holidays;
- Work schedule: specific, one hour lunch break.
- Business trips to public authorities within the country and abroad.

Chapter III. Personal requirements

Education:

- Higher education, license or equivalent degree, preferably in Law or Economics;

Professional experience: a minimum of 5 years of professional activity in the law enforcement authorities or in the financial system.

Knowledge:

- Knowledge of financial-banking legislation and operative investigation activity;
- Knowledge of foreign languages;

- Advanced knowledge of the principles of financial-banking and non-banking systems of the Republic of Moldova;
- Computer skills: Microsoft Office, Internet Explorer etc.;
- Knowledge of specialty databases and analytical programs.

Abilities: ability to work with information, planning, organization, decision making, analysis and synthesis elaboration of documents, argumentation, presentation, self-training, motivation, self-mobilization and ability to work in team, solution of problems, conflict management, efficient communication.

Attitudes/behavior: respect for the citizens, spirit of initiative, diplomacy, creativity, flexibility, discipline, responsibility, resistance to effort and stress, tendency for continuous professional development.

JOB INSTRUCTION
Chapter I. General provisions

Public authority: Center for the Combating of Economic Crimes and Corruption

Subdivision: Office for Prevention and Fight Against Money Laundering

Address: 198 Stefan cel Mare Boulevard, Chisinau municipality

Title: senior inspector of Office

Title level: executive

Salary level: The salary rate is determined based on the provisions of the Governmental Decree no.650 din 12th May 2006

Chapter II. Job description

General scope of title:
Taking measures within the limits of competence for the prevention and fight against money laundering and financing of terrorism

Main duties:

1. receives, systematizes, analyzes and transmits information by competence on the transactions and activities suspected of money laundering, financing of terrorism and associated crimes presented by the reporting entities in accordance with applicable laws.
2. detects and documents the crimes associated with or based on the money laundering and financing of terrorism, conducts operative investigation activities;
3. in a proper and timely manner examines the applications received from reporting entities, state authorities, corporate entities and private individuals in the matters of combating of money laundering and financing of terrorism;
4. verifies the observation of normative acts in the matters of prevention and fight against money laundering and financing of terrorism by the reporting entities within the limits of competence.

Specific job duties:

1. executes the orders and instructions of OPFAML management;
2. follows the internal regulation of the Office, the modality of using data and other normative acts;
3. observes the state secret and other information protected by the law;
4. conducts operative investigation activities;
5. identifies and suppresses the criminogenic evolution in the served domain;
6. prepares the necessary materials for the suspension of transactions and activities suspected of money laundering, financing of terrorism and associated crimes;
7. elaborates various analytical notes in accordance with this Regulation, methodologies, approved recommendations and requirements of the Office management;

8. prepares the necessary materials and conducts the training of reporting entities;
9. elaborates the necessary materials for the representation of the Office at various national and international events;
10. presents information on the progress achieved in prevention and fight against money laundering and financing of terrorism to the specialized international organizations.
11. elaborates periodical and non-periodical information notes on the performed activities;
12. permanently and systematically improves his/her professional skills by self-education;

Responsibilities:

1. responsible for the quality of elaborated analytical notes;
2. responsible for the observation of procedures at all the stages of elaboration of analytical notes and sending thereof for examination by the lines of competence;
3. responsible for the legality of decisions adopted on the basis of produced minutes.

Authority:

- participates as an expert in the criminal pursuit activities in accordance with the laws;
- presents reports on the information obtained in the matters of prevention of money laundering and financing of terrorism;
- Exercises the job duties in various situations of justified professional risk, even in the presence of constitutive elements providing for disciplinary, administrative or criminal liability;
- Exercises any other obligations provided by the applicable laws, normative acts and instructions of the Office management.

Accountable to: the senior inspector of the Office for Prevention and Fight Against Money Laundering is directly accountable to the chief of Office or to the deputy chief of Office, in his absence.

Substituting persons: the senior inspector of the Office for Prevention and Fight Against Money Laundering may be substituted by a person designated by order.

Internal cooperation:

- With the management of OPFAML;
- With the officers of the Office for Prevention and Fight Against Money Laundering;
- With the chiefs and officers of CCECC subdivisions.

External cooperation:

- With the officers of public authorities;
- With training service providers;

- With various international projects and programs relevant for his/her field of competence;
- With national and international governmental and non-governmental institutions and organizations;
- With specialty local and international consultants.

Used tools/equipment:
- Official Monitor of the Republic of Moldova, collections of normative acts;
- Computer, printer, telephone, fax;
- Transportation vehicles, special technical tools;
- Internet;
- Manuals, methodological and informational materials in the matters of prevention and fight against money laundering and financing of terrorism;
- Periodical financial and banking press;
- Publications of specialized international institutions;
- Dictionaries etc.

Conditions of labor:
- Activity schedule: flexible, availability to work overtime upon necessity, including on holidays;
- Work schedule: specific, one hour lunch break.
- Business trips to public authorities within the country and abroad.

Chapter III. Personal requirements

Education:
Higher education, license or equivalent degree, preferably in Law or Economics.

Professional experience: a minimum of 3 years of professional activity in the law enforcement authorities or in the financial system.

Knowledge:
- Knowledge of applicable laws;
- Knowledge of foreign languages;
- Computer skills: Microsoft Office, Internet Explorer etc.;

Abilities: ability to work with information, planning, organization, decision making, analysis and synthesis elaboration of documents, argumentation, presentation, self-training, motivation, self-mobilization and ability to work in team, solution of problems, conflict management, efficient communication.

Attitudes/behavior: respect for the citizens, spirit of initiative, diplomacy, creativity, flexibility, discipline, responsibility, resistance to effort and stress, tendency for continuous professional development.

- **Order No. 117 of the 20th November 2007 (as amended by Order No. 114 of the 22nd August 2011) on reporting activities or transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing**

Official Monitor No.198-202/731 of 21.12.2007
Amended by Order.114 of 22.08.2011
Official Monitor No.840 of 14.09.2011

* * *

In compliance with provisions of art.8 and 17 of the Law No.190-XVI of 26 July 2007 on Prevention and Combating of Money Laundering and Terrorism Financing (Official Monitor of the Republic of Moldova, 2007, No.141-145, art.597),

I ORDER:

1. To approve:

1) The instructions for filling out and submitting special forms on activities or transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing (according to Annex No.1);

2) The special form for the following reporting entities:

a) financial institutions (pursuant to the attachment no. 2);
b) professional participants of the securities market (pursuant to the attachment no. 3);
c) non-state pension funds (pursuant to the attachment no. 3^1);
d) savings and credit associations except for the ones not holding the license of category A (pursuant to the attachment no. 3^2);
e) micro financing organizations (pursuant to the attachment no. 3^3);
f) mortgage loan organizations (pursuant to the attachment no. 3^4);
g) credit history offices (pursuant to the attachment no. 3^5);
h) professional participants of the insurance market (pursuant to the attachment no. 4);
i) exchange offices (others than banks) (pursuant to the attachment no. 5);
j) persons providing investment or fiduciary assistance (pursuant to the attachment no. 6);
k) lessors, natural persons or corporate entities practicing entrepreneurial activity leasing out to the lessees, at their request, for specific periods of time the right of possession and use of their property, with or without subsequent transfer of right of property upon expiry of contract (pursuant to the attachment no. 7).”
l) Institutions legalizing or registering the right of property and real estate agents (pursuant to the attachment no. 8);

m) Casinos and entertainment places with games of luck, institutions organizing the conducting lotteries or games of luck (pursuant to the attachment no. 9);
n) Dealers in precious metals or precious stones (pursuant to the attachment no. 10);
o) notaries and other professional freelancers (pursuant to the attachment no. 11);
p) lawyers (pursuant to the attachment no. 12);
q) auditors and independent accountants (pursuant to the attachment no. 13);
r) organizations authorized to provide postal delivery exchange services, telegraphic or property transfer services (pursuant to the attachment no. 14).

2. On the date the present order comes into force, to abrogate:

The Order No.152 of 15.12.2004 "On approval of the instructions for filling out and submitting the special form on financial transactions" (Official Monitor of the Republic of Moldova, 2005, No.24-25, art.69);

The Order No.193 of 15.12.2005 "On models of special forms on financial transactions and the way of their submission" (Official Monitor of the Republic of Moldova, 2005, No.55- 58, art.219);

The Order No.97 of 28.07.2006 "On certain measures to implement provisions of the Law on Prevention and Combating of Money Laundering and Terrorism Financing" (Official Monitor of the Republic of Moldova, 2006, No.170-173, art.574);

The Order No.204 of 28.11.2006 "On additional measures to prevent and combat terrorism financing" (Official Monitor of the Republic of Moldova, 2007, No.14-17, art.75);

The Order No.187 of 01.12.2006 "On the lists of persons suspect of terrorism financing" (Official Monitor of the Republic of Moldova, 2007, No.3-5, art.28)

3. Interaction with reporting entities, their supervisory bodies and control over enforcement of the present order is performed by the Service for Prevention and Combating of Money Laundering (Mr. Valeriu Sircu).

DIRECTOR OF THE CENTER
FOR COMBATING ECONOMIC CRIMES
AND CORRUPTION **Valentin MEJINSCHI**

Chisinau, 20 November 2007
No.117.

APPROVED
Centre for Combating
Economic Crimes and Corruption of the Republic of Moldova
Director _____ Valentin MEJINSCHI
No.117 of 20 November 2007

REGISTERED
Ministry of Justice
of the Republic of Moldova
Minister _____ Vitalie PIRLOG
No.577 of 14 December 2007

Annex No.1
to the Order of Director of the Centre
for Combating Economic
Crimes and Corruption
No.117 of 20 November 2007

INSTRUCTIONS
for filling out and submitting special forms regarding activities or transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing

Chapter I
General Provisions

1. The present Instructions for filling out and submitting special forms on activities or transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing (hereinafter referred to as – the Instructions) are developed based on art.8 of the Law No.190-XVI of 26.07.2007 "On Prevention and Combating of Money Laundering and Terrorism Financing" (hereinafter referred to as – the Law No.190-XVI).

2. The requirements of the present Instructions are applicable to reporting entities mentioned in art.4 of the Law No.190-XVI obliged to submit special forms.

3. In the process of establishing an efficient system of information presentation reporting entities shall strictly observe the provisions of the Law No.190-XVI, normative acts issued in relation to its implementation, recommendations of supervisory or self-regulating bodies, especially in the field of identification of individuals and legal entities, of the actual beneficiary, implementation of advanced precautionary measures, data storage, compliance with security measures.

4. In the context of the present Instructions, the following notions are used:

The Guide to Suspect Activities or Transactions – a normative act approved by the Centre for Combating Economic Crimes and Corruption, which sets the rules for determining the nature of any activity or transaction considered by the reporting entity to be susceptible of relation to money laundering or terrorism financing by its nature, under implementation or already implemented;

Client – an individual or legal entity, association or group of individuals acting together, registered as such or not;

Operation partner – an individual or legal entity assigned to receive a certain amount of money (or other assets) in a transaction, or, as appropriate, the payer of an amount to the client;

a limited transaction is an activity or transaction paid by transfer by a corporate entity or natural person, or in the name of such entity or person, in a single instance or several interconnected instances amounting to 500 thousand lei and more;

a cash transaction is an activity or transaction paid in cash in a single or several interconnected instances amounting to at least 100 thousand lei (or their equivalent).

Chapter II
Contents and Order of Filling Out the Special Form

5. The special form shall be filled out for each activity or transaction suspect of money laundering or terrorism financing that falls under one of the qualitative indices according to art.6 of the Law No.190-XVI or the Guide to Suspect Activities or Transactions (hereinafter referred to as – suspect transactions), as well as in case of limited and cash transactions.

6. The special forms must be numbered and dated by the reporting entities, in the cases of cash transactions in several interconnected instances one shall specify the periods of the said activities or financial transactions, covering a span of ten calendar days, beginning from the first day of reporting month and ending with the last day of calendar month.

7. In the position "L/S/N Criteria" in the Forms one shall specify the type of operation: limited, suspicious or in cash, depending on the number of instances and their total amount. In the case of cash transactions one shall fill in the Forms for one or several executed instances.

8. In the position "Reason for suspicion" one shall specify the reasons for considering the transaction as a suspicious one, in accordance with the Guidance on suspicious activities or transactions and the established criteria in accordance with the own programs and policies.

9. In case the operation is performed through authorised persons the form shall contain data on representatives.

Chapter III
Order of Submitting and Keeping Special Forms

10. The special forms are submitted to the Centre in the form of an electronic document regulated by the Law No.264-XV of 15.07.2004 "On Electronic Document and Digital Signature", using item description in electronic form (according to the annex), via e-mail or on magnetic media, in both cases with digital signature elements or other means of identification. The receipt of the submitted information shall be immediately confirmed by the Centre in electronic form.

In case of impossibility to send the forms via e-mail, they can be sent in hard copy or on magnetic media in a sealed envelope, confirmed by the signature of the person responsible for information presentation and applying the stamp of the reporting entity, through the Centre's secretariat.

11. The information on financial operations shall be kept in the Centre's protected database.

12. The Service for Prevention and Combating of Money Laundering shall inform the reporting entities, whenever possible, about the results of examination of information presented by them.

- **CCECC Order No. 40 of 18.03.2011 on the approval of Guidance for the identification of transactions suspected of financing of terrorism**

According to the provisions of art. 4, 6, 8, 11 and 17 of the Law no. 190-XVI of 26th July 2007 on the prevention and combating of money laundering and financing of terrorism (Official Monitor of the Republic of Moldova, 2007, no.141-145, art. 597) and art. 9 clause g) of the Law no. 1104-XV of 06.06.2002 On the Centre for the Combating of Economic Crimes and Corruption (Official Monitor of the Republic of Moldova, 2002, no. 91-94, art. 668), I -

ORDER:

1. For the proper implementation of the Law no. 190-XVI of 26.07.07 on the prevention and combating of money laundering and financing of terrorism in matters directly related to the determination of signs of suspicion of financing of terrorism, as well as for the proper identification of risks in this area, to approve the attached Guidance for the identification of transactions suspected of financing of terrorism (see attachment).

2. The responsibility for the interaction with reporting entities, supervising authorities and the control of execution of this order shall be vested with the Service for the Prevention and Combating of Money Laundering (Mr. Valeriu Sircu).

Director

Viorel CHETRARU

APPROVED
Centre for the Combating of Economic Crimes and Corruption

Director _____ Viorel CHETRARU
No.____ „___” _____ 2010

REGISTERED
Ministry of Justice

of the Republic of Moldova
Minister _____ Alexandru TANASE
No.____ „___” _____ 2010

Attachment
To the order of the Director of the
Centre for the Combating of
Economic Crimes and Corruption
no. _____ of _____2010

GUIDANCE FOR THE IDENTIFICATION OF TRANSACTIONS SUSPECTED OF FINANCING OF TERRORISM

Chapter I
General provisions

Terrorism – means the ideology of violence and the practice of influencing by violence the decision making by public authorities or international organizations, combined with threatening of population and/or other violent and illegal actions.

Financing of terrorism – means making available or deliberate collection by any person and by any methods, direct or indirect, of property of any nature acquired by any means, or the provision of financial services for the usage of such property or services, being aware that these would be totally or partially used for the organization, preparation or commission of a crime of terrorist character by an organized criminal group, a criminal organization or by a person committing or attempting to commit a crime of terrorist character or that organizes, controls, associates, makes priory agreements, instigates or participates as an accomplice in the commission of such a crime.

Terrorist act – means the provocation of an explosion, fire accident or any other act casting a threat or causing the death or bodily injuries or harm for one's health, considerable damages to property or to the environment, or any other severe consequences with the aim to threaten the population or a part of it, to draw the attention of the society to political, religious or any other ideas of the offender or to impose the state, the international organizations, the corporate entities or private individuals to commit or to abstain from the commitment of any action, as well as the threats to commit such acts for the same purposes.

Terrorist activities - these mean the activities that include the following:

- planning, preparations, attempts to commit and the commission of a terrorist act;
- instigation to terrorist acts, to violence against private individuals and companies, to destruction of material property for terrorist purposes and justification of terrorism in public;
- foundation of an illegal armed organization, of a criminal community (organization), of an organized criminal group for the commission of terrorist acts and participation in such acts;
- recruitment, arming, training and use of terrorists;
- financing of preparations or commission of a terrorist act or another crime of terrorist character, financing of a terrorist organization, of a terrorist group or single terrorist, as well as provision of any other assistance or support to terrorists;

International terrorist activity – terrorist actions committed by:

- a terrorist, a terrorist group or terrorist organization on the territory of 2 or more states with infliction of damages for the interests of these states;
- citizens of one state against the citizens of another state or on the territory of another state;
- when both the terrorist and his victim are citizens of the same state or other states, while the crime is committed outside of the territory of these states.

Crimes of terrorist character – the crimes provided by the art.134^{11} of the Criminal Code of the Republic of Moldova.

Terrorist – person involved in terrorist activity of any form.

Terrorist group – two or more persons associated for the purpose of terrorist activity.

Terrorist organization – an organization created for terrorist activity or an organization admitting the use of terrorism in its activities. Any organization is considered to be a terrorist one if at least one of its subdivisions is involved in terrorist activity.

Combating of terrorism – activity of prevention, detection and annihilation of terrorist activity and reducing its effects.

Anti-terrorist operation – special activities aimed at the annihilation of a terrorist act, at the assurance of safety of private individuals, neutralization of terrorists and minimization of consequences.

Zone of anti-terrorist operation – particular sectors of a locality, a transportation vehicle, a building, structure, territory, premise with adjacent area where the anti-terrorist operation is being performed.

Androlepsy – forced trapping of persons by a terrorist or by a terrorist group in order to coerce the private individuals, corporate entities or public authorities to obey.

Countries of specific interest – the lists of countries and non-cooperating entities that do not have norms against money laundering, financing of terrorism, corruption, etc. approved by the normative acts issued by the Centre for the Combating of Economic Crimes and Corruption and the Security and Information Service.

CHAPTER II
CHARACTERISTICS OF FINANCING OF TERRORISM

The major objective of terrorism is "to intimidate the population or to coerce a government or an international organization to commit particular acts or to abstain from them ".

At the same time, besides the difference in the criminal objectives the terrorist organizations need financial support in order to attain their scopes.

A successful terrorist group, as any criminal organization is capable to build and maintain an efficient financial infrastructure. To do this it has to develop sources of financing, money laundering tools and finally, a method capable to provide or obtain materials and other necessary logistical items for the commission of terrorist acts.

Generally, as mentioned by the experts, the terrorism is financed from two primary sources.

The first source is the financial support provided by states or organizations with large enough infrastructure in order to collect and then create the funds available for a terrorist organization. This kind of terrorism, the so-called state-sponsored terrorism has been reduced during the recent years, being replaced by other types of support. A private individual with sufficient funds may also provide substantial support to the terrorist groups.

The income derived directly from diverse "revenue-generating activities" is another major source of funds for the terrorist organizations and groups.

Similar to criminal organizations, the incomes of a terrorist group or organization may be derived from crimes or other illegal activities.

A terrorist group or organization in a particular region may derive its incomes from kidnapping and extortion of funds. In such a scenario the ransom paid for the hostages, taken together with the specially demanded "revolution tax" form the necessary financial resources, simultaneously playing the secondary role as means of intimidation for the target population.

Besides kidnapping and extortion of funds the terrorist groups may engage in contraband, various kinds of frauds (for example, credit card frauds), thefts or robbery, and/or trafficking in drugs.

The financing of terrorist groups and organizations, unlike the financing of criminal organizations, may include incomes from legal sources or legal incomes combined with illegal ones.

So, the legal funds used for the financing of this activity constitutes the major difference between the terrorist groups and the traditional criminal organizations. The share of legal funds used for the support of terrorism varies from one terrorist group to another and on the geographic location of sources of financing and the location of terrorist acts organized by the latter.

Taxation of communities and the money collection schemes are another very efficient tool for the collection of funds for the support of terrorism. Very often such activities are performed in the name of apparently charity organizations or under the pretext of social assistance, being aimed at a particular community, while some community members are made to believe that they donate money for good deeds.

Most of the charity organizations receiving donations are legal to the extent to which they get engaged in the statutory activities. However, a substantial share of members may be unaware of the fact that a part of the funds collected by the charity organization is used for terrorist purposes.

For example, the supporters of a terrorist movement of a particular country may perform apparently legal fund raising activities in another country. These supporters may raise the necessary funds by infiltration and take-over of control in the institutions of the community of immigrants in another country. Some specific money collection methods may include: member fees and/or subscription fees; sales of publications, excursions, cultural and social events; solicitations in communities; requests to rich community members and donations made from personal income.

CHAPTER III
MONEY LAUNDERING AND TERRORISM

From the technical point of view the methods used by the terrorists and their associations in order to raise funds from illegal sources differ at least from the ones used by the traditional criminal organizations. Even if financing from legal sources from the first glance would not be likely to involve money laundering, the terrorist groups and organizations anyway have to hide or camouflage their connections with the legal funds. This means that the terrorist groups also have to find methods to launder the funds in order to use them without drawing the attention of authorities.

Based on their experience in the investigation of financial activities performed by terrorist organizations the FATF experts concluded that the terrorists and their supporting organizations generally use the same methods as the criminal groups in order to have their money laundered. Some of the special money laundering techniques detected at various terrorist groups include: smuggling of cash (both by couriers and money transfer systems), structured deposits or withdrawals from accounts in banks, procurements of various financial instruments (checks, payment orders), use of credit or debit cards and transfers. Also there are evidences that particular forms of hidden money transfer systems (especially "hawalas") have played an important role for the movement of funds associated with terrorism.

The difference between the legally and illegally obtained funds raises an important legal problem of applying the measures for the combating of money laundering for the financing of terrorism. Generally the money laundering was defined as a process by which the funds obtained in the result of or generated by criminal activities are moved or concealed with the aim of hiding the connection between the crimes and the proceeds thereof. On the other hand, the final scope of the terrorists is not to generate profits by their fund raising schemes but to obtain resources to support their activities. So, in some countries the financing of terrorism can not be included as a crime ancillary to money laundering and respectively, it is impossible to apply the corresponding preventive and repressive measures adequate for the combating of terrorist activity. When the terrorists or the terrorist organizations derive their financial support from legal sources (donations, sales of publications, etc.), there still are many factors to make it harder to detect and pursue these funds.

For example, the charity and not-for-profit organizations and other corporate entities were noticed to play an important role in the financing of particular terrorist groups. The apparently legal source of such financing might mean that there are very few or no indicators at all that would make an individual transaction or a series of transactions to be detected as having relationship with terrorist activities.

The other important aspects of the financing of terrorism that make it even more difficult to detect are the amounts and the nature of implied transactions. Several FATF experts have mentioned that the funds necessary to arrange for the terrorist attack are not always significant and the relevant transactions usually are not complex. For example, a closer investigation of financial connections between the terrorists that have committed the attack of September 11th, 2001 in New-York, USA, has demonstrated that most of the individual transactions were of quite small amounts under the limit of reported transactions, while in most of the cases the transactions implied only electronic money transfers. The private individuals that acted as receivers of funds appeared to be foreign

students receiving money from their parents or as financial support for their studies, so the transactions were not identified by the involved reporting entities as suspicious ones.

CHAPTER IV
CHARACTERISTICS OF FINANCIAL TRANSACTIONS SUSPECTED OF FINANCING OF TERRORISM CAPABLE OF INVOLVING MORE DETAILED CONTROL

As a normal component of their activity the reporting entities should be aware of certain elements of individual transactions that could be parts terrorism financing schemes.

The following list of potential suspects or unusual activities is aimed to demonstrate the types of transactions that could involve additional control and attention. This list is not exhaustive and does not replace any obligations that may have been imposed by the competent national authorities in the reporting of suspicious or unusual transactions.

This list of characteristics must be taken into account by the reporting entities together with the other available data (including any lists of persons suspected of terrorism, terrorist groups or persons involved or entities, as may be issued by the UN or by the Security and Information Service), the source of transaction itself, the parties involved in the transaction, as well as any other elements that may be communicated by the national authorities for the combating of money laundering.

The existence of one or several factors described in this list may result in a better control of the transaction. At the same time, the existence of one of the factors itself does not mean that a transaction is a suspicious or an unusual one.

The reporting entities must be extremely careful when the following factors are detected:

A. *Banking accounts*

(1) Accounts receiving periodical relevant deposits but in other periods being left without deposits.

These account may be later used for the creation of an apparently legal financial background for the conduction of additional fraudulent transactions.

(2) An inactive account with minimum balance unexpectedly is credited by a deposit or a series of deposits followed by withdrawals in cash day after day until the amount transferred is over.

(3) Upon opening an account the client refuses to provide the information requested by the financial institution, tries to reduce the amount of provided information to a minimum, or provides misleading data or information difficult to verify.

(4) An account has several authorized signatories but they do not seem to have any relationship between them (neither family nor business relationships).

(5) An account is opened by a corporate entity or organization residing at the same address with other corporate entities or organization, but for which the same person or several persons are authorized signatories, when there are no apparent economic or legal reasons for such an arrangement (for example, private individuals serving as directors for several companies with the same legal address, etc).

(6) An account is opened in the name of a recently incorporated legal company and receives numerous deposits well above the expected level compared to the incomes of the founders.

(7) Opening of several accounts by the same person that subsequently receive numerous small deposits that being taken altogether are not proportionate with the expected income of the client.

(8) An account is opened in the name of a corporate entity involved in the activities of an association or foundation related to the requirements of a terrorist organization.

(9) An account is opened in the name of a corporate entity, foundation or association that might have connections to a terrorist organization, reporting movements of funds well above the expected incomes.

B. *Deposits and withdrawals*

(1) The deposits of a business company taken together with financial instruments not natural for the normal activity of such company (for example, the deposits that include a combination of business activities, salary and social insurance payments).

(2) Large withdrawals of cash from a business account that normally would not have any transactions in cash.

(3) Large deposits in cash are credited to the account of a private individual or corporate entity when their business activity would normally imply the use of transfers.

(4) Combination of deposits in cash and financial instruments in an account where such transactions are irrelevant for the normal usage of the account.

(5) Structuring of deposits via multiple branches of the same financial institution or by the same group of persons entering the same branch simultaneously.

(6) Deposits or withdrawals of cash in the amounts exactly under the identification or reporting threshold.

(7) Presentation of uncounted funds for a transaction. Upon verification the transaction is reduced down under the identification or reporting threshold.

(8) Deposits or withdrawals of many financial instruments in amounts that are permanently under the identification or reporting thresholds, especially when these instruments are numbered in series.

C. Electronic transfers

(1) Electronic transfers divided into smaller amounts, apparently in an effort to avoid identification or reporting.

(2) Electronic transfers to or in the favor of a person that does not request information relating to the initiator of the transaction, or the person in whose name the transaction is being performed, especially when the inclusion of such information is reasonably expected.

(3) Use of several personal and business accounts, or accounts of not-for-profit or charity organizations in order to collect and then immediately or shortly afterwards transfer the funds to a smaller number of foreign beneficiaries.

(4) foreign currency exchange transactions performed in the name of a client by a third party, followed by electronic money transfers that apparently have no business connections with the client or with the countries of specific interest.

D. Characteristics of clients or their business activities

(1) Any transaction debiting or crediting the accounts of private individuals or corporate entities involved in terrorist activities, according to the list approved and published by the Security and Information Service.

(2) The funds generated by a business held by private individuals of the same origin or with involvement of other persons of the same origin from countries of specific interest, acting in the name of similar businesses.

(3) The common address of the persons involved in transactions with cash, especially when it is a business location and/or does not correspond to the declared occupation (for example, students, unemployed persons, individual entrepreneurs, etc.).

(4) The occupation declared by the client is not proportional to the type of activity (for example, a student or an unemployed person receiving numerous electronic transfers from various geographic locations).

(5) As for the not-for-profit or charity organizations, the financial transactions that do not seem to have a logical economic scope or that do not seem to have any connection with the statutory activities of the organization and other parties involved in the transaction.

(6) A vault cell is rented in the name of a commercial entity when its business activity is unknown or does not justify the use of a vault cell.

(7) Elements of unexplainable inconsequence in the client identification or verification process (for example, reticence in the determination of actual or previous country of residence, country that has issued the passport, countries visited as by passport data and documents provided to confirm the name, address, date of birth, etc.).

E. Transactions related to countries of specific interest

(1) The transactions that imply exchange of currencies are then followed by electronic transfers to countries of specific interest (for example, to the countries designated by the national authorities (S.I.S and C.C.E.C.C.) as non-cooperative, etc).

(2) The deposits are shortly followed by electronic money transfers, especially to or via a location of specific interest.

(3) A business account with a considerable number of incoming or outgoing electronic transfers that do not seem to have a logical connection with the businesses or other economic purposes, especially when such activity is routed to/via one or several locations of specific interest.

(4) The use of multiple accounts to collect and then transfer the funds to a smaller number of foreign beneficiaries, both private individuals and corporate entities, especially when these are in countries of specific interest.

(5) A client obtains a credit instrument or engages in commercial transactions involving the circulation of funds to or from countries of specific interest when apparently there are no logical reasons for conducting business with such countries.

(6) Opening of accounts with financial institutions of countries of specific interest.

(7) Sending or reception of funds via international money transfer systems to or from countries of specific interest.

- **CCECC Order No. 178 of 19 November 2010on approval of the Guide(lines) on the identification of politically exposed persons**

In accordance with art. 4, 6, 8, 11 and 17 of Law no. 190-XVI from July 26, 2007 on preventing and combating money laundering and terrorist financing (the Official Gazette of the Republic of Moldova, 2007, no.141-145, Art. 597) and art. 9 letter. g) of Law no. 1104-XV from June 6, 2002 on the Center for Combating Economic Crimes and Corruption (Official Gazette of the Republic of Moldova, 2002, no. 91-94, art. 668), -

ORDER:

1. In order to implement the provisions of art. 6 of Law no. 190-XVI from July 26, 2007 on preventing and combating money laundering and terrorist financing, is approved the Guide on identification of politically exposed persons (see attached).

2. Interaction with the reporting entities, the bodies of their oversight function and control over the execution of this order exercises Office for Prevention and Control of Money Laundering (Mr. Valeriu Sîrcu).

Director **Viorel CHETRARU**

GUIDE REGARDING IDENTIFICATION OF POLITICALLY EXPOSED PERSONS

Chapter I
GENERAL PROVISIONS

1. Politically exposed persons, in the context of this Guide, are individuals being entrusted or have been entrusted with prominent public functions and their family members being at least people in positions of responsibility in a state whose appointment or election is governed by the Constitution or vested with an office, by election or through appointment by the Parliament, President or Government.

2. A significant influence occurs as a result of direct or indirect ownership by a natural person of at least 10 % of capital stock of a legal person.

3. Special attention to the business relationship is an additional CDD measure, a process of approval of the nominated transaction by senior management, which involves a detailed examination at least once a year of this relationship.

Chapter II
DEFINING POLITICALLY EXPOSED PERSONS

4. The term "politically exposed persons (" PEP ") applies to persons who perform important public functions in a state, their families and their close associates. Term of PEP includes persons whose past or current position can attract publicity, including outside the concerned country and whose financial situation may be additional public interest topic. In particular cases, local factors such as political and social environment, are taken into account in classifying a person as defined.

5. According to the present guide, national individuals exerting important public functions under the Law on the Status of Persons with public dignity function, as well as politically exposed persons according to international provisions are:

a) Public dignity functions:

1) President of Republic of Moldova;
2) Speaker of Parliament;
3) Prime Minister;
4) Senior Vice President of Parliament;
5) Vice-Chairman of Parliament;
6) Prime Deputy Prime Minister;
7) Deputy Prime Minister;
8) Chairman of permanent committee of Parliament;
9) Vice-Chairman of permanent committee of Parliament;
10) Chairman of parliamentary fraction;
11) Member of the Permanent Board of Parliament;
12) Secretary of permanent committee of Parliament;
13) Member of Parliament;
14) General Director of Parliament Board;
15) Minister;
16) Deputy Minister;
17) Governor (Bashkan)of Autonomous Territorial Unit of Gagauzia
18) Chairman of the Popular Assembly of the Autonomous Territorial Unit Gagauzia
19) Vice President of the People's Assembly of the Autonomous Territorial Unit Gagauzia
20) Chairman of permanent committee of the Popular Assembly of the Autonomous Territorial Unit Gagauzia
21) Senior Vice President and Vice President of the Executive Committee of the Autonomous Territorial Unit Gagauzia
22) Mayor of Chisinau, deputy mayor;
23) Chairman of Municipal Council;
24) Chairman, Deputy Chairman of district;
25) Extraordinary and Plenipotentiary Ambassador;
26) Permanent Representative or delegate to international organization;
27) Consul General;
28) General director (director) of central administrative authority;
29) President, judge, judge assistant of the Constitutional Court;
30) Chairman, Member of the Supreme Judicial Council with main activity in the Council;
31) Chairman, Vice-President, Judge of the Supreme Court;
32) Chairman, Vice-President, Judge of the Court of Appeals;
33) Chairman, Vice-President, Judge of the Economic Court of Appeal;
34) Chairman, Vice-President, Judge of the court;
35) General Attorney, First Deputy of General Attorney, Deputy General Attorney, prosecutors at all levels;
36) Director of Centre for Human Rights, ombudsman;
37) Chairman, Deputy Chairman, Member of the Court of Auditors;

38) Director, Deputy Director of the Intelligence and Security Service;
39) Chairman, Vice-secretary of the Central Election Commission;
40) Chairman, member of the CCA;
41) Chairman, Deputy Chairman, member of the National Commission of Financial Market;
42) Governor, Senior Deputy Governor, Deputy Governor of National Bank of Moldova;
43) Managing Director, Director of the National Energy Regulatory Agency;
44) Director, Deputy Director of National Regulatory Agency for Electronic Communications and Information Technology;
45) General Director, Deputy General Director of National Agency for Protection of Competition;
46) Chief, Deputy Chief of Territorial Office of the State Chancellery;
47) Director, Deputy Director of the Protection and State Guard Service;
48) Director, Deputy Director of National Centre for the Protection of Personal Data;
49) Head of Civil Service Centre;
50) President, First Vice-President, Vice President, General Scientific Secretary of the Academy of Sciences;
51) President, Vice President, Scientific Secretary of the National Council for Accreditation and Attestation;
52) Head of the State Special Courier Service;
53) General Director of National Health Insurance Company;
54) Chairman of the National Social Insurance Chamber;
55) Director of the State Archives Service;
56) Government Agent - representative of the Government of Moldova to the European Court for Human Rights.

b) Politically exposed persons in international context:
1) Heads of state, government and ministerial offices;
2) Influential officials in state companies and government administration;
3) Senior Judges;
4) Senior party officials;
5) Senior officials and / or influential officials and military chiefs, people with similar functions in the national or supranational organizations;
6) Members of royal families;
7) Senior representatives and / or influential religious organizations (if these functions are related to political, judicial, military or administrative accountability).
Below listed categories do not include intermediate or inferior positions. The provided categories include as appropriate positions at Community and international level.

c) Family members of the politically exposed person;
The term of "family members of the politically exposed person" according to civil law are the members who are bound by these individuals through a relationship or affinity in a straight line or collateral line up including the second degree, as well her husband (wife).

6. According to the FATF 40+9 recommendations, a special attention and precautions is also paid to close associates of politically exposed persons.
The category of "close associates" includes public people known as close partners of individuals who with one of the persons referred to in subparagraph a) and b) of paragraph 5:
1) hold or have a significant influence on a legal person or entity or legal arrangements or a close business relationship with these people.
2) hold or have a significant influence on a person or legal entity or legal arrangements created for the benefit of the persons referred to in subparagraph a) and b) of paragraph 5.

Chapter III
THE TERM LIMIT FOR CONSIDERING A POLITICALLY EXPOSED PERSON

7. Without affecting the CDD and the measures for identification of beneficial owner, after reaching a period of one year from the date on which he ceased to occupy a public dignity function, according to provisions of paragraph 4 letter a) and b) individuals will not be considered as politically exposed persons.

Chapter IV
MEASURES APPLIED TO THE PROPERTY OF POLITICAL PARTIES

8. Political parties are not the point of the definition of „politically exposed persons". However, banks are to pay more attention to business relations involving foreign political parties assets.

Chapter V
IDENTIFICATION OF A POLITICALLY EXPOSED PERSON OR FAMILY / CLOSE ASSOCIATES OF SUCH PERSONS

9. Financial institutions will have appropriate internal procedures to gather sufficient information from a client and verify publicly available information to determine whether the client is politically exposed person or not. A number of mechanisms may be available to assist in searches by names, including the following:
• *Suppliers of commercial PEP databases*
• *Mass-media sources and magazines.*
• *Internet and search mechanisms.*

Chapter VI
ENHANCED SECURITY MEASURES

10. In addition to the general rules for identification of individuals and the beneficial owner in the context of art. 5 of Law no. 190-XVI from July 26, 2007 on preventing and combating money laundering and terrorist financing, in business relations and transactions with politically exposed persons is applied:
1) detailed corresponding procedure for determining the risk if the person is politically exposed;
2) obtaining senior management approval for establishing or continuing business relationships with such persons;
3) take appropriate measures to establish the source of the goods involved in business relationship or transaction.

4) conduct a strengthened and permanent monitoring of business relationship;
5) increased precautionary measures are to be applied when politically exposed persons, their families, associates are bank contracting parties or beneficiaries of bank assets in question; or contracting party of the bank or the real beneficiary of those amounts, or empowerment of the written authorization.
6) the account opening process and ongoing monitoring of business relationships with politically exposed persons, reporting entities require customers to complete a written declaration of identity and personal data (or) who are owners of beneficial owners of the transaction or business relationship.
11. Information or data obtained from the identification of customers – politically exposed persons, will be updated at least once a year and the results review must be documented.
12. A beneficial owner written statement request of the contractor customer is an important first step in an effort to identify and verify the identity of beneficial owners. Also, the reporting entities are to take additional measures to verify the declaration and evidence of records found therein.

- **CCECC Order No. 118 of 20.11.2007 on approval of the Guide to Suspect Activities or Transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing**

* * *

In compliance with provisions of art.4, 6, 8 and 11 of the Law No.190-XVI of 26 July 2007 on Prevention and Combating of Money Laundering and Terrorism Financing (Official Monitor of the Republic of Moldova, 2007, No.141-145, art.597),

I ORDER:

1. To approve the Guide to Suspect Activities or Transactions (annexed).
2. In case of emergence of new technologies, the Service for Prevention and Combating of Money Laundering shall make proposals to establish other criteria to determine suspect activities or transactions. The relevant information shall be placed in the Internet on "www.cccec.md".

21.The Service for the prevention and combating of money laundering shall provide monitoring and elaborate proposals on the operation of amendments and additions to the Attachments no. 1-5 to the Guidance on suspicious activities or transactions once new indices of suspicion are identified

3. Interaction with reporting entities and their supervisory bodies is carried out by the Service for Prevention and Combating of Money Laundering (Mr. Valeriu Sircu).

DIRECTOR OF THE CENTER FOR COMBATING
ECONOMIC CRIMES AND CORRUPTION **Valentin MEJINSCHI**

Chisinau, 20 November 2007
No.118.

APPROVED
Centre for Combating Economic Crimes
and Corruption of the Republic of Moldova
Director _____ Valentin MEJINSCHI
No.118 of 20 November 2007

REGISTERED
Ministry of Justice
of the Republic of Moldova
Minister _____ Vitalie PIRLOG
No. 526 of 14 December 2007

Annex
to the Order of Director of the
Centre for Combating Economic
Crimes and Corruption
No.118 of 20 November 2007

GUIDE TO SUSPECT ACTIVITIES OR TRANSACTIONS

Chapter I
GENERAL PROVISIONS

1. The present Guide is developed in compliance with international standards for prevention and combating of money laundering and terrorism financing, provisions of the Law No.190-XVI of 26 July 2007, in order to establish criteria and indicators of possible suspect activities or transactions related to money laundering and terrorism financing (hereinafter referred to as suspect transactions).

2. The suspect nature of activities or transactions derives from the unusual way in which the latter are performed, reported as current and/or regular activities, economic efficiency criteria and banking practice of an individual or legal entity. Suspect transactions related to terrorism financing are also established based on the lists of persons and entities involved in terrorist activities published in the Official Monitor of the Republic of Moldova by the Information and Security Service.

3. Suspicion of activities or transactions is personal and subjective, generating lack of confidence in the corresponding person or persons, as well as doubts in terms of accuracy and legality of their deeds or honesty of their intentions.

4. The information on suspicious transactions and other activities, including the payments made to/from the Transnistrian region shall be reported to the Service for the prevention and combating of money laundering in the manner provided by the laws.

Chapter II
CRITERIA AND SIGNS OF SUSPICIOUS TRANSACTIONS IN BANKING, SAVINGS AND CREDIT, MICRO FINANCING, MORTGAGE LOAN AND CREDIT HISTORY OFFICES

5. General criteria of suspect transactions:

1) Unjustified refusal of the client to present information not stipulated by legislative acts but required in compliance with the banking rules and practice, as well as excessive insistence of the client on confidentiality of the carried out operations;

2) The client ignores more favourable conditions for service provision (commission amount, interest rate on demand and fixed deposits, etc.), as well as offers exaggerated commission or a commission that initially differs from the one usually charged for provision of such services;

3) The client’s operations do not have an obvious economic purpose, do not correspond to the nature of the client’s activity and do not target liquidity management or risk insurance;

4) Existence of requests for non-standard or difficult settlements that differ from the usual practice of the client or from the market practice;

5) The client's unjustified rush to perform the operations;

6) The client introduces essential modifications in the previously coordinated operation scheme right at the beginning of the operation, especially, if those refer to the direction of the money or other assets flow;

7) The client transmits a task related to carrying-out of an operation through a representative (intermediary), if the representative (intermediary) fulfils the client's task without having a direct (personal) contact with the reporting entity;

8) Inflows in the client's account, based on the same ground, from one or several counter-agents, of amounts that do not exceed 500 thousand lei separately, but do exceed this amount if summed up, with further transfer of funds to the client's account opened in another financial institution, or application of funds to purchase foreign currency, securities and other highly liquid assets;

9) Dliberate division of amounts transferred by the client to one or several recipients on the same basis, granted that altogether they exceed 500 thousand lei by transfer or 100 thousand lei in cash;

10) Lack of information on the client (on the legal entity, including on the financial institution), as well as impossibility to contact the client at the address and telephone number indicated by the latter;

11) Lack of information on the client in financial institutions that service (or serviced) them;

12) Difficulties encountered by the reporting entity within the process of verifying the information submitted by the client in compliance with the requirements set by the legislation, the client submits information that cannot be verified, or verification of which can be quite costly;

13) Impossibility to identify the client's counter-agents, the name of the payer for operations related to inflows in the current accounts;

14) Lack of a possible connection between the nature and type of the client's activity with the services requested from the reporting entity.

6. Criteria of suspect transactions in performing cash or cashless operations:

1) Opening of several fixed deposits in the course of 30 days in the name of the same client for an amount that does not exceed 500 thousand lei (except for cases when it is known that the client, based on the nature of their activity, receives such amounts of cash regularly every 30 days), with further transfer of funds to a single account after the expiry of the deposit term and (or) further transfer to another reporting entity;

2) Transfer to the client's account of payments from individuals that exceed 500 thousand lei by transfer and/or 100 thousand lei in cash including through cash desk of the reporting entity, when these are not part of regular operations of the client;

3) Transfer of funds to the account of the client (legal entity), through which no or insignificant operations have been carried out for more than six months, with further withdrawal of those amounts by the client in cash;

4) Regular inflow of cash in the client's account, as a result of sale of the reporting entity or collection of cheques issued within international payment systems, which imply further acceptance, with the transfer of the whole amount or of its major part, even if the

amount does not exceed 500 thousand lei, within one day or the following day, to the client's account opened in another reporting entity or for the benefit of a third person, including non-resident;

5) Transfer of funds to an anonymous account (deposit) abroad and receipt of funds from an anonymous account (deposit) abroad;

6) Regular presentation of cheques issued by a non-resident financial institution and endorsed by a non-resident for encashment, if it does not correspond to the nature of the client's activity;

7) Unexpected increase of the client's account balance not connected directly with the activity;

8) Transfer of funds from the account of the client (legal entity) to their account opened in another financial institution, for no obvious reason (e.g. without closing the account, not for the purpose of repaying a loan from another financial institution, equal or lower interest rates on deposits under conditions of equal or worse service at another reporting institution), with payment destination "transfer of owned funds", except for the cases when the client transfers funds to their account opened with another bank;

9) Irregular or one-off use of the account by the client to receive funds with their further withdrawal in an amount more than 100 thousand lei, with further closure of the account or cease of operations through it.

7. Criteria of suspect transactions in performing operations with loan agreements:

1) Loan provision under guarantee of repayment in the form of placement of funds in the loan or another currency or securities to the bearer's account opened with the reporting entity – creditor or with another reporting entity;

2) Repayment of the liability expired under the loan agreement, if the conditions of the client's activity and the information held by the reporting entity do not allow for identification of the source of financing of the liability;

3) Loan provision under collateral of precious stones imported to the Republic of Moldova, including crediting under collateral of these valuables with their placement in the creditor's deposit, except for cases of crediting enterprises that process precious stones produced abroad;

4) Loan provision under insurance in the form of guarantees to a non-resident crediting organization in the amount that represents a whole number (100 thousand, 1 million, etc.), given no obvious connection between the place of the client's and their counter-agents' activity and the location of the guarantor, especially if the guarantee is provided by a branch of a non-resident reporting entity;

5) The information presented in the client's loan application does not correspond to the information and documents received within the negotiation process from the client's representatives;

6) The client uses funds from unspecified or unknown sources to repay the loan;

7) Provision or receipt of a credit (loan) for an interest rate that considerably exceeds the average interest rate on loans on the internal/external market;

8) Regular transfers by the client of funds that, based on the information presented in the request for transfer, represent repayment of the balance by combination of accounts, except for cases when the client participates in international or inter-

governmental clearing agreements or in operations of claim cross-cancellation between the reporting entities.

8. Criteria of suspect transactions in international settlements:

1) The resident client reimburses the advance payment to a non-resident under the contract to deliver goods (to perform works, to render services) in cases when the operation of the resident with the non-resident is of a one-off nature (is not repeated within six months) and (or) is not related to the client's basic activity (based on data on the client's activity held by the reporting entity);

2) The resident pays to the non-resident a penalty (fine) for non-fulfilment of the contract to deliver goods (to perform works, to render services) or for violation of contract provisions, if the amount of penalty exceeds 10% of the amount of goods not delivered (works not performed, services not rendered);

3) The client uses forms of international settlement that do not correspond to the nature of their activity (based on data on the client's activity held by the reporting entity);

4) The beneficiary of funds or goods (works, services, intellectual activity products) is non-resident and is not a party to the contract on import (export) of goods (works, services, intellectual activity products) by the resident;

5) The contract stipulates export of goods (works, services, intellectual activity products) by the resident, or import payments of goods (works, services, intellectual activity products) in favour of non-residents registered in off-shore countries and/or areas;

6) Entry of different names for commercial items in primary supporting documents, customs declarations and international economic contracts, based on which declarations of export (import) operations are made within the reporting entity, e.g. the name of commercial items in compliance with the Nomenclature of Goods differ in primary supporting documents and international economic agreements;

7) Primary supporting documents submitted to the reporting entity in charge of international economic agreements, in relation to which declarations of export (import) operations have been made, do not contain an exact description of goods, with reference to the Nomenclature of Goods, which is the object of the international economic agreement;

8) International money transfers made from different jurisdictions by at least 5 operations in favor of a national natural person, subsequently withdrawn in cash.

9. Criteria of suspect transactions in making payments by bank cards:

1) The client regularly transfers funds that exceed 15 thousand lei to one or more counter-agents at the procurement (sale) of goods (works, services) via Internet by using bank cards with the right to withdraw money from the client's account;

2) The client that provides services in the field of commerce via Internet regularly places to an account amounts exceeding 15 thousand lei, which come from accounts of bank card holders who are clients of other reporting entities;

3) The bank card holder regularly withdraws cash exceeding 15 thousand lei at the reporting entity's cash desks or from cash dispensers, except for withdrawal of funds received on the employee's account from the employer that represent payment of material remuneration by the employer.

10. Indices that help establish the suspect nature of transactions:

1) Client's behaviour:

a) A client does not want to provide information about previous activities when they open an account or procure monetary instruments exceeding a certain value;

b) A potential borrower refuses to specify the purpose of borrowing or the source of its repayment, or indicates a purpose and/or source that do not correspond to reality;

c) Change of owner of the client's activities or the activities of new owners do not correspond to the nature of the client's object of activity, or the new owners are refractory in providing information on their identity or past financial activity;

d) A client does not declare any record on past or present employment, while performs frequent large-scale transactions;

e) An insistent client hurries the bank employee to perform a transaction rapidly and non-bureaucratically for no clear reason for such a rush (under time pressure);

f) A client announces receipt of payments that in the end are not transferred to the initially assigned account;

g) A client avoids personal contact with the bank, communication having place only through telefax or telex; in some cases, in order to avoid contact the client would appoint third parties (administrators) as people empowered to manage the account;

h) A client does not want to receive bank statements and/or takes them from the post office or from the bank once or twice a year, or never;

i) A client does not want to indicate their previous servicing bank or another bank (banks) where they have other personal accounts.

2) Avoidance of requirements to report or keep records:

a) A client is refractory to provide information required for a compulsory report refuses to complete the report or to perform a transaction after having been informed about the requirement to fill in the report;

b) A person or group constrains or tries to constrain a bank employee not to take the requested record or reporting forms on file.

3) Cash transactions:

a) Exchange of large amounts from one currency to another for no obvious economic reason, especially, when the client does it frequently;

b) Exchange of large quantities of small denomination banknotes for high denomination banknotes;

c) Significant increase in cash deposits or foreign currency transactions of a client for no obvious reason, especially if such amounts are then transferred within a short period of time to a destination that cannot be normally associated with the client;

d) Unusually large cash deposits and withdrawals;

e) A retail company has totally different methods of cash depositing than other companies in the same field within the same geographical area;

f) A client announces receipt of payments that in the end are not transferred to the initially assigned account;

g) A client does not want to receive bank statements and/or takes them from the post office or from the bank once or twice a year, or never;

h) A client does not want to indicate their previous servicing bank or another bank (banks);

i) Transactions performed in foreign currency within business that normally does not generate foreign currency;

j) Cash deposits in several accounts so that each separate amount is small (negligible), but the overall amount is large;

k) Application of several monetary instruments to pay to a single organization, especially when no apparent business goal would require application of multiple instruments;

l) Clients often, together and simultaneously, use different cash desks to perform transactions with large amounts of cash in lei or in foreign currency;

m) A client (e.g. a shop owner) makes several deposits on the same day with different cash desks or branches of the bank;

n) Transactions in foreign currency divided below a certain limit (including on the same day / in the course of several days) at the same bank / different branches, at different banks (if these are known) or deposit / withdrawal of foreign currency from transactions performed before or after the deadline set by a financial institution, so that the combined transaction would be considered as performed in two days;

o) Application of an immense amount of small-value monetary instruments in ordinary commercial transactions;

p) Cash withdrawals and deposits of very large amounts from / in the current account of a legal entity that normally does not apply cash payment methods;

q) Clients who constantly make deposits in cash to cover bills of exchange, money transfers or other negotiable instruments or easily saleable payment instruments;

r) Large transfers of funds abroad or from abroad with instructions of payment in cash;

s) Frequent deposits in cash made in the account of a client by third parties without any apparent connection with the account holder;

ș) Use of lock boxes over night for deposits of large amounts of cash;

t) Cash deposits containing fake bills or instruments.

4) Transactions through bank accounts:

a) Account (accounts) of a company where deposits or withdrawals are made more in cash than by cheques;

b) Large withdrawals of cash from an account that used to be inactive or from an account, to which a large amount from abroad has been just unexpectedly transferred;

c) Use of an account of a company that indicates a reduced or irregular activity, the account seems to be used, first of all, as a temporary deposit of funds that are then transferred abroad;

d) Frequent and substantial transfers of funds (or deposits of other financial instruments) that cannot be clearly identified in terms of economic justification;

e) Substantial increase, for no apparent reason, of a client's turnover, which is reflected by the activity in their accounts;

f) Combination of large transfers with amounts withdrawn in cash on the same day or on the previous day, when the client's situation does not justify such an activity;

g) Use of an account only as a temporary deposit of funds that, eventually, shall be transferred to other accounts abroad;

h) The client opens a large number of accounts with the branches of the same bank or with different banks and repeated transfers of large amounts of money between these accounts;

i) Existence of several accounts of one client with several banks in the same area, especially, when these accounts are filled by large amounts of money, prior to the request of disbursement;

j) Small cash deposits on a client's account followed by immediate transfer to an account with another bank;

k) Repeated opening and closing of accounts in the name of the same client or a member of their family, for no plausible reason;

l) A client frequently receives large amounts of money from countries where illegal drug production may take place;

m) Concordance between crediting and debiting of an account on the same day or on previous days;

n) A client makes large and frequent deposits in cash and maintains a large balance, not using other services, such as loans, letters of credit, etc.;

o) Deposit transactions through cheques issued by third parties for large amounts signed in favour of the client;

p) Suspect cash flow from one bank to another and back to the first bank. For example, the following scheme: 1) procurement of cheques from a bank, 2) opening of an account with another bank, 3) depositing the cheques in the second account and then 4) electronic transfer of funds from the second account to the account with the first bank that initially issued the cheques;

q) Periodical transfers from personal account to countries with higher level of risk;

r) Depositing amounts in several accounts, usually in values below the legal report limit, followed by their placement in a single account and by transfer of the amount, usually abroad;

s) Payments or inflows with no obvious connection with any legal commercial contract;

ş) Transfers of large amounts in the name of a client for no specific reason or with no reasonable explanation;

t) Transfers from countries with higher level of risk, where the client does not have an apparent commercial activity or if it does not comply with the client's commercial activity or background;

ţ) Transfer of identical amounts by the same credit manager, which are withdrawn on the same day in cash;

u) Transfers of large amounts, which are withdrawn on the same day in the form of "loan repayment";

v) Repeated transfers of funds (usually the same amounts) between the same companies.

5) Bank electronic transfers:

a) Frequent transfers from the account of a legal entity to the account of an individual with no reference to the nature of transfers;

b) Unusual transfer of funds between connected accounts or accounts that have the same administrator or administrators who are somehow related;

c) Frequent transmission or receipt of large amounts of electronic transfers to and from off-shore companies;

d) A client has multiple accounts, transfers money between these accounts and uses a collector account, from which transfers the initially received funds electronically. (A

client deposits funds in several accounts, usually below a certain limit, then the funds are consolidated in a collector account and transferred electronically abroad);

e) Order given to the bank to transfer funds abroad and to wait for receipt of an equivalent electronic transfer from other sources;

f) Regular deposit or withdrawal of large amounts through electronic transfers to/from or via countries where illegal drug production may take place or the bank secret laws of which facilitate money laundering;

g) Receipt of electronic transfers and immediate purchase of monetary instruments made for payment to a third party;

h) A client transmits and receives electronic transfers (to/from off-shore zones), especially, if there is no apparent business reason for such transfers or these contradict to the client's present or past activity;

i) There is a sharp increase of international or internal electronic transfers in a client's activity through transmission or receipt of large amounts of money, and such transfers are contradictory to the client's past;

j) An account with many low-value inflows by electronic transfer or deposits are made using cheques or payment orders, and almost immediately practically the whole balance is transferred electronically to another city or country, when such an activity is contradictory to the activity carried out by the client or their history;

k) A client pays for electronic transfers abroad / from abroad of large amounts using multiple monetary instruments at the disposal of the financial institutions;

l) A client receives or performs electronic transfers involving amounts in foreign currency immediately under a certain limit or uses numerous bank or traveller's cheques;

m) A client receives electronic transfers according to the bank's instruction "to pay only after client identification" or to transform the funds in cheques and send them by post, when 1) an amount is very large, 2) an amount is immediately below a certain limit, 3) the funds come from another country or 4) such transactions are performed repeatedly;

n) A client makes large electronic transfers abroad, which are paid through multiple cheques or other payment instruments (possibly immediately below a certain limit);

o) A client carries out an intense activity in electronic transfers, although it used not to be their usual activity in the past;

p) Instructions on fund transfers abroad with no reasonable cause for payment;

q) Transfers to certain crediting institutions without specifying the addressee;

r) Messages that do not contain all the necessary identification data on the client, e.g. "one of the bank's clients".

6) External operations:

a) Use of credit lines and other methods of financing to carry out external transfers when the transaction are not justified by the regular activity of the client;

b) Establishment of large balances inadequate for the ordinary turnover of the client's business followed by further transfers to overseas accounts;

c) Transactions are not justified by the client's relationship with the branches of financial institutions situated in countries that might be involved in illegal drug production or in off-shore zones;

d) Large-scale transactions performed by clients recommended by a financial institution from the countries that might be involved in illegal drug production;

e) Carrying-out of external transfers from available foreign currency funds by residents, the normal activity of which does not justify the declared nature of the currency transaction;

f) Regular and large external transfers by individuals;

g) A client does not fulfil the obligation to transfer or repatriate all the amounts in foreign and/or national currency received from transactions with overseas;

h) Large-scale currency operations performed by resident clients (non-existence of incidental nature);

i) External advance payments for imports, for which goods were not delivered, operation was not performed, service was not rendered within the terms stipulated by the contract, with no further refund of the advance payment, repatriation of amounts, that is no justification of the advance payments;

j) Execution of cash payment orders made by different persons instead of their execution though bank transfers;

k) Repeated external transfers with the recommendation to pay the beneficiary in cash;

l) External payments made to other beneficiaries than the ones indicated in import customs declarations and in the external invoices (redirected payments);

m) Repeated external transfers to third parties and not to the external partner of the client;

n) External transfers representing import payment to other companies or individuals and not to the supplier of goods;

o) External transfers justified by purchase of shares of firms registered in off-shore zones.

p) In agreements on purchase of claim letter / taking over the liability, transactions (with receivables /liabilities) are not transparent or initial agreements (on receivables /liabilities) are not presented.

7) Credit operations:

a) Clients repay loans unexpectedly soon using funds from unknown sources;

b) The declared purpose of the loan is not justified and the client offers a cash guarantee or mentions it when specifying the purpose of the loan;

c) Clients (legal entities) apply for loans, even though according to the analysis of their economic and financial documents there is no need for one;

d) Application of a loan in a way that contradicts the purpose specified at loan granting;

e) Clients that change loan destination;

f) Loan amounts are transferred or transmitted unexpectedly to an off-shore bank or a third party;

g) Loan applications accompanied by guarantees of third parties or of a bank, if the origin of the guarantee is unknown or if the guarantee does not comply with the status of the client;

h) Guarantees are offered by unknown to the bank third parties that are not closely related to clients and have no plausible reason to offer such guarantee;

i) Loan application accompanied by a guarantee comprising a deposit certificate issued by an overseas bank or by an investment fund;

j) The client purchases deposit certificates and places them as guarantee on a loan;

k) Application for loans to off-shore companies or loans guaranteed by bonds of off-shore banks;

l) Transactions involving a phantom bank from an off-shore country and/or zone, the name of which can be similar to the name of an important legitimate institution;

m) Payments made by cheques issued by third parties or by cheques with multiple signatures;

n) Loan applications submitted by new clients through professional intermediaries (lawyers, financial consultants, intermediary companies);

o) Promise to place deposits of large amounts in foreign currency in cash in order to receive a more favourable treatment of loan applications;

p) Drawings from foreign currency credit lines used by conversion in (Moldovan) lei for current chain payments of the same value to different companies, and the latter making external advance payments by conversion from (Moldovan) lei into foreign currency;

q) Repayment of the loan granted to a company by another company (especially if it is an off-shore company).

8) Investment-related transactions:

a) Purchase of securities and their placement in safe custody when this is inconsistent with the client's activity;

b) Requests on the part of clients to benefit from investment administration (in foreign currency or in securities) when the source of funds is unclear or inconsistent with the economic activity of the client;

c) Purchase (transaction) or sale of securities for cash or in order to purchase other securities when the transaction is not made through the current account of the client;

d) Unusual sale of some high-value securities that are later withdrawn;

e) Purchase of movables through a bank, when such procurement is inconsistent with the regular activity of the client;

f) Use of cash to purchase/sell movable assets instead of cashless payment (transfer), especially when large amounts of money are involved;

g) Request of a client for the bank to issue a guarantee certificate for securities, the authenticity of which cannot be verified.

9) Credit documentation and guarantees:

a) The indicated applicant or the beneficiary (drawer) are companies, the addresses of which are unknown;

b) The name of the guarantee beneficiary is not mentioned;

c) Letters of credit, credit documents or guarantees on delivery of goods (especially raw material) to countries that normally do not request such deliveries or from the countries that have not exported such products previously;

d) Indication of the fact that the guarantee is divisible, often including an addendum transferable and divisible without payment of a transfer fee;

e) Use of the notion "Prime Bank Guarantee" or "PBG";

f) The client provides unusual and incomplete documentation or uses names similar to those of well-known legitimate institutions and/or uses an ambiguous language or pseudo-expert terminology.

10) Country of origin or destination of the transaction:

a) Countries that might be involved in illegal drug production (according to Annex No.1);

b) Countries that represent a higher risk due to the high level of criminality and corruption (according to Annex No.2);

c) Off-shore countries and zones (according to Annex No.3);

d) Countries that do not have legal norms against money laundering and terrorism financing or such norms are inadequate (according to Annex No.4);

Chapter III
SIGNS OF SUSPICIOUS TRANSACTIONS IN FOREIGN CURRENCY IN THE NON-BANKING SPHERE

11. Indices that lead to establishment of the suspect nature of currency exchange transactions:

1) Repeated requests for currency exchange of amounts close to the limit of reporting obligation within a short period of time, as well as currency exchange operations at different branches;

2) Purchase or sale of large volumes of currency or exchange into national or another foreign currency;

3) Exchange of an unusually large quantity of small denomination banknotes in large denomination banknotes.

12. Indices that lead to establishment of the suspect nature of transactions in the non-banking system:

1) Clients repay their loans unexpectedly, very quickly, using funds from an unknown source;

2) The declared purpose of the loan is not justified and the client offers a cash guarantee of an unknown origin and mentions it when specifying the purpose of the loan;

3) Clients (legal entities) apply for loans, although according to their economic and financial analysis there is no need for one;

4) Transactions where assets are withdrawn right after their deposit except for cases when the client's economic activity gives a plausible reason justifying the immediate withdrawal;

5) Loan amounts are immediately transferred or sent by post to an off-shore bank or a third party;

6) Transactions performed in contradiction with the client's regular activities (e.g. use of letters of credit/other methods of financing business through which funds are transferred between countries where such business does not comply with the client's regular economic activities);

7) Application of a loan in a way that contradicts the declared purpose;

8) Clients changing loan destination;

9) Furnishing of a personal guarantee or indemnities as guarantee for loans between third parties, which is inconsistent with the requirements of the market;

10) Back-to-back loans without any identified or legally admitted goal;

11) Payments of cheques signed in favour of the client to a big number of third parties;

12) Loan applications accompanied by guarantees issued by third parties or by a bank, if the origin of this guarantee is unknown or inconsistent with the client's status;

13) Guarantees furnished by unknown to the bank third parties that do not have relationships with the client, with no plausible reason to guarantee such asset;

14) Loan applications from off-shore companies or loans guaranteed by bonds of off-shore banks;

15) Transactions involving an off-shore bank, the name of which can be similar to the name of an important legitimate institution;

16) Encashment of payments under "credit facilities" or "loan" or "advance payment", especially when payments come from abroad, and the indicated creditor is a post box, an individual or a company that has no business relationship with the client;

17) Loan applications filed by new clients through professional intermediaries (lawyers, financial consultants, intermediary companies);

18) Promise of deposits of large amounts in foreign currency in cash in order to receive a more favourable treatment of loan applications.

Chapter IV
INDICES OF SUSPECT TRANSACTIONS IN MOVABLE ASSETS

13. Indices that lead to establishment of the suspect nature of transactions:

1) Sale of movable assets with transfer of collected payments to a financial institution other than specified in the contract;

2) Sale of movable assets undistributed largely to the public repeated after a short period of time and/or involving large amounts, especially if partners are located in higher-risk countries;

3) Transfer of funds to financial and banking institutions other than those from where the funds where initially directed (especially if they are located in different countries);

4) Involvement in purchase and sale of movable assets of the same value ("laundering through transaction") creating the illusion of business;

5) Transactions involving foreign jurisdictions;

a) A client presented by the branch of a foreign bank or another client, when the client and the presenter are located in countries that might be involved in illegal drug production;

b) A big number of transactions in movable assets that imply several jurisdictions;

6) Transactions involving unidentified parties;

a) A client (individual) that finds it difficult to prove their identity and that is unwilling to give details on performed transactions;

b) A client (legal entity) that finds it difficult and delays obtaining of documents on the identity, bank accounts, etc. of the company;

c) Encashment of cheques issued by third parties or of cheques with multiple signatures;

d) The client is unusually interested in the order of compliance to obligations of reporting by the financial intermediary and in the adopted money laundering combating

policy and structures the transactions so as to avoid the reporting limit of 500 thousand lei;

e) The client is interested to pay higher commissions to the financial intermediary for confidentiality of some information;

f) At the moment of opening an account, the client intentionally shows lack of interest in involved risks, charged commissions and other costs;

g) Clients have accounts in a country identified as a non-cooperating country, according to the list issued by the Financial Action Task Force (FATF);

h) Transaction between/with off-shore companies or accounts of individuals resident in an off-shore zone;

i) Client (or a person publicly associated with the client) has a doubtful history or is presented as having possible record of violations of the provisions of the Criminal Law;

j) The client seems to act as an agent on behalf of a credit manager, the identity of which is unknown and declines or is reticent for no grounded reasons to provide information or is evasive with regard to the identity of that person or entity;

k) The client requires that transaction is processed differently in order to avoid requirements for unusual documentation.

Chapter V
SIGNS OF SUSPICIOUS TRANSACTIONS IN THE INSURANCE SPHERE

14. Indices that lead to establishment of the suspect nature of transactions:

1) Transactions conducted with the Transnistrian region;

2) Any transactions in which the beneficiary of payment /the client is registered in any of the countries set in the attachments nos.1-5 to this Order;

3) Any transactions with the national insurance/reinsurance brokers whose founders are registered in the off-shore zones;

4) The insured or the mediator is an institution located in the off-shore zone;

5) Collection of insurance premiums /payment of compensations from/to the employees of the insurance company itself or insurance brokers;

6) Collection of insurance premiums /payment of compensations as a result of conclusion of insurance contracts for the coverage of financial risks where the amounts of credits and guarantees exceed 500 thousand lei;

7) Advancement of loans and down payments in any form, for amounts exceeding 10 thousand lei;

8) Any transaction involving the assignment of accounts receivable or take-over of debt;

9) Upon conclusion of insurance contract the client accepts unfavorable conditions for himself;

10) The amount of insurance compensation specified in the policy is incompatible with the obvious insurance needs of the client;

11) Any transaction involving a third party that can not be identified;

12) Transfer of insurance compensation to a third party apparently having no connection with the policy holder;

13) Replacement of previous beneficiary, including under a life insurance contract with a person apparently having no connections with the policy holder;

14) Any insurance contract concluded by the insurer and the insured ones having legal addresses beyond the jurisdiction of the national supervising authority that can not be identified at the respective addresses;

15) Any request of the insured to return the insurance premium before the expiry of the insurance contract;

16) Any transactions implying frequent payments to/from other countries apparently not related to the client's activity;

17) The insurance premiums paid obviously exceed the insured's financial possibilities;

18) The client does not know what he/she wants to insure (ready to insure any risk);

19) The client concludes several contracts under the threshold of 15 thousand lei;

20) Abnormal behavior of client (nervous behavior, agitation, etc.);

21) The client is accompanied and advised by an unknown third person;

22) In case of life insurance the client solicits a shorter insurance term than the one proposed by the insurance company or broker;

23) The client pays excessive attention to the company's internal policy in the prevention and combating of money laundering and financing of terrorism;

24) At the stage of initiation of business relationship and/or conclusion of an insurance contract with the corporate entities included into the list of debtors to public budget published on the web site www.fisc.md;

25) Transactions by which a company procures a number of life insurance policies exceeding the real number of its existing staff;

26) Procurement of life insurance policy for the employees where the employer appears as a beneficiary;

27) Conclusion of life insurance contracts by the employer for the employees, where third parties are stated as beneficiaries;

28) The insurer becomes beneficiary of life insurance policy by virtue of loan extended to the insured;

29) Procurement of life insurance policy by a company (corporate entity) for a natural person who is not an employee of the said company;

30) Involvement of one or several unnecessary intermediaries (fictitious, not providing any services);

31) The premium is paid from a banking account opened in another jurisdiction than the domicile of the insured;

32) The insurance premium is paid by an unidentified third party, or the source and origin of the money so paid are unknown;

33) Several sources are used for the payment of insurance premium;

34) One or several additional amounts to the insurance premium are solicited for the transfer to any third party;

35) The client identifies him/herself as a person authorized to represent the insured one (beneficiary) and without reasonable justification insists on the representation of his/her interests;

36) The client insists on the payment of compensation in cash in the amount exceeding 10 thousand lei;

37) The insurance compensation is requested by the persons that are or have been subjects of criminal investigations or criminal pursuit;

38) The reimbursements are effected in another currency than the one of insurance premium.

39) The transactions are effected with deliberate supply of false or inexact essential data;

The insurance policies are requested for subsequent use for the obtaining of loans or guarantees.

Chapter V1
SIGNS OF SUSPICIOUS TRANSACTIONS IN THE ACTIVITIES OF NON-STATE PENSION FUNDS

15[1]. The signs of suspicious transactions are:

1) The amounts exceeding 500 thousand lei are deposited in diverse plans offered by the non-state pension funds, in particular, followed by subsequent withdrawals of substantial funds;

2) The assets are transferred to the capitalization plan by unknown (unidentified) third parties;

3) The contributions are paid in cash by an unknown third party in the name of a pension fund member;

4) An unemployed person pays the contribution for an employed one;

5) The funds or the other assets provided under a pension plan are incompativle with the profile of the fund member;

The amount of contributions to the pension fund exceeds 500 thousand lei by transfer or 100 thousand lei in cash.

Chapter V2
SIGNS OF SUSPICIOUS TRANSACTIONS IN LEASING ACTIVITY

15[2]. The signs of suspicious transactions are:

1) Reasonable doubts as to the authenticity and accuracy of documents attesting the lessee's financial situation;

2) Acceptance of contractual conditions apparently exceeding the financial possibilities of the lessee and his capacity to pay the leasing rates;

3) Frequent refills transferred in short periods of time by ways having no connection with the client's current activity, especially from abroad.

4) Transfers ordered by the client, paid to himself from different countries;

5) Significant transactions that seem unusual compared to the client's previous transactions or for which there are no economically or financially plausible reasons (for instance: transactions in large amounts effected in the name of a company by the directors or related persons, attracting resources without apparent connection with the company's activity, especially when conducted in cash);

6) Transactions arranged in a logical manner, especially when they are disadvantageous for the client from the economic or financial point of view;

7) Transactions conducted by third parties in the name or in favor of a client without plausible reasons;

8) Transactions conducted with inexact or incomplete details, implying the intention to conceal the information on the involved parties.

9) Transactions involving the counterparts located in off-shore centers or in the countries where the illegal production of narcotic drugs is possible;

10) Simultaneous conclusion of leasing contracts for the same object with several commercial companies;

11) Acquisition of valuable items, which shortly thereafter are sold for a small price.

Chapter VI
SIGNS OF SUSPICIOUS TRANSACTIONS IN THE ACTIVITIES OF NON-STATE PENSION FUNDS

15. Indices that lead to establishment of the suspect nature of transactions:

1) Clients perform transactions in foreign currency at the casino;

2) Two or more clients buy chips (in the amount that is just below the limit of reporting obligation) and then make minimum bets. Later they get the chips together and one of them exchanges those chips for an amount that exceeds the limit of reporting obligation;

3) A client asks a casino employee to monitor their bets and to inform them when their level is close to the limit that implies reporting obligation. Once the client receives this notice, they stop gambling at that table, moves to another one, and makes additional cash transactions;

4) Use of other persons to carry out cash transactions at casinos;

5) A client gained a larger amount delegates another client to cash a part of their chips in order to avoid the reporting obligation;

6) A client (other than a "Junker operator" (tour operator) that is involved in the organization of visits to gambling tournaments) is seen to be giving large amounts of foreign currency directly to some individuals that then use this currency to buy chips or for currency exchange;

7) Clients get engaged in minimum bets without any reasonable explication;

8) A client buys a large number of chips for cash, engages in minimum bets at a table, then goes to the cash desk and exchanges the chips;

9) Clients or “Junker operator” provide false identification information/data;

10) Improper clients try to bribe, influence or conspire with a casino employee in order to avoid reporting obligations (e.g. through request to structure the recovered payments or by registering cash transactions in the names of other individuals);

11) Abnormal gambling activities aimed at reducing the game risk to the most possible extent;

12) A pair of bets frequently covers both possibilities of a bet with alternative options (e.g. bets on red as well as on black, or on pair as well as on impair numbers on the roulette, or bets on "bank" as well as the opposite in baccarat);

13) A client buys chips for cash, makes bets with minimum chances to lose (e.g. bets on red as well as on black) and makes similar transactions, after which goes to the cash desk and exchanges the chips for large denomination banknotes;

14) Procurement of chips for small denomination banknotes, engaging in minimum bets or non-engaging into the bet activity, followed by exchanging the remained chips for cash, demanding large denomination banknotes.

Chapter VII
INDICES OF SUSPECT TRANSACTIONS IN THE ACTIVITY OF INDEPENDENT PROFESSIONALS

16. Indices that lead to establishment of the suspect nature of transactions:

1) Frequent firm, business or company purchase and cession operations not justified by the nature of the carried out activity or by economic characteristics of the stakeholders;

2) Cession of shares or payments to firms, businesses or companies performed by methods or through entities that do not seem to fit the client’s economic profile or the declared activity object of firms, businesses or companies that have received the corresponding payments;

3) Cession of shares or payments to firms, businesses or companies through third parties that have obviously no relation to the performed operations;

4) Creation of banking financial instruments designed for corporations or establishment of complex legal structures (e.g. holdings), the complexity and structure of which, based on the list of shareholders and foreign representatives of one or more companies, seem to aim at or intend to avoid, hide or create obstacles to identifying the origin of involved funds and persons that made those available;

5) Foundation of non-profit real estate investment companies that are used to purchase immovable property and aim at hiding the origin of the funds involved in transactions;

6) Offering promotions or advancements in positions implying responsibility at firms, businesses or companies to persons that obviously do not possess the necessary capabilities, and through which it is clearly intended to separate the decision-making authority from the persons that officially hold administrative positions at the corresponding firm;

7) Accounting transactions intended to conceal or to hide the sources of income or their nature and origin, for example, by means of over- or undervaluation of assets;

8) Requests for consultations on financial and tax issues. Persons willing to invest large amounts of money can present themselves as individuals that want to reduce their tax liabilities or to place their assets in such a way so that they could not be touched in order to avoid future tax liabilities;

9) Search of funds or financing based on guarantees represented by assets or certificates confirming existence of deposits in foreign banks, especially if these deposits are placed with foreign banks located in non-cooperating countries, according to the list of the Financial Action Task Force (FATF), or in off-shore countries and/or zones with no adequate justification;

10) Activity related to consulting and mediation in fund transfer and asset alienation that raises suspicion with regard to transparency, legality and opportunity.

Chapter VIII
INDICES OF SUSPECT TRANSACTIONS IN THE ACTIVITY OF OTHER INSTITUTIONS (POST OFFICES, REAL-ESTATE AGENCIES, ETC.)

17. Indices that lead to establishment of the suspect nature of transactions:

1) Transfers ordered by the client within a short period of time, payable to them or to the same individual in different countries;

2) Repeated transactions of the same type not justified by the client's activity, which seem to aim at dissimulating:

a) Frequent encashment of funds transferred, after a short period of time, by means or to destinations that have no relation to the current activity of the client, especially if the origin or the destination is overseas;

b) Encashment in the form of payment tools (cash, credit tools, credit transfers) that do not correspond to the regular activity of the client;

3) Recourse to repeated small-scale transactions that seem to aim at avoiding identification and reporting obligations (e.g. frequent transactions with amounts just below the limit of reporting obligation, especially in cash or through different subunits of the same reporting organization, when those are not justified by the client's activity);

4) Significant transactions that seem to be unusual as compared to the previous transactions of the client or that have no plausible reason from the economic or financial points of view (e.g. large-scale transactions performed on behalf of the company by directors or persons related to the latter, engaging resources not related to the company's activity, especially if those transactions are performed in cash);

5) Illogical transactions, especially when those are economically and financially disadvantageous to the client;

6) Frequent transactions performed by a client on behalf or in favour of a third party, when such business relations does not seem to be justified;

7) Transactions performed by third parties on behalf or in favour of the client for no plausible reason;

8) Transactions requested intentionally with inaccurate or incomplete details, which suggest the intention to hide essential information, especially on the parties involved in the transaction;

9) Transactions that involve counterparties located in off-shore centres or in countries where illegal drug production may take place, transactions that are not justified by the client's economic activity or by other circumstances;

10) Large-scale transactions that do not fit the client's economic profile;

11) Requests of clients or their representatives to perform large-scale transactions unjustifiably using cash or payment instruments inconsistent with the usual practice and the nature of the operation;

12) Representatives that oppose disclosure of the names of persons represented by them, refuse to finalize the transaction when they are required to present informative documents on their clients, or indicate the final customer that differs from the one indicated before;

13) Purchase of high-value assets that are later sold, after a short period of time, even at a lower price;

14) Large-scale transactions performed by (or in favour of) individuals or legal entities resident in countries known to carry out illegal activities or in off-shore zones.

Attachment no. 1
to the Guidance on suspicious activities or transactions

COUNTRIES

Where the illegal production of narcotic drugs is possible

	Country	ISO CODE	Country code by NBM classifier
1.	Afghanistan	**AF**	**004**
2.	Argentina	**AR**	**032**
3.	Bolivia	**BO**	**068**
4.	Brazil	**BR**	**076**
5.	Cameroon	**CM**	**120**
6.	Columbia	**CO**	**170**
7.	Comoro	**KM**	**174**
8.	Ecuador	**EC**	**218**
9.	Egypt	**EG**	**818**
10.	Ethiopia	**ET**	**231**
11.	Fiji	**FJ**	**242**
12.	Philippines	**PH**	**608**
13.	Ghana	**GH**	**288**
14.	Guinea	**GN**	**324**
15.	Jamaica	**JM**	**388**
16.	Kenya	**KE**	**404**
17.	Laos	**LA**	**418**
18.	Lesotho	**LS**	**426**
19.	Madagascar	**MG**	**450**
20.	Malawi	**MW**	**454**
21.	Morocco	**MA**	**504**
22.	Micronesia	**FM**	**583**
23.	Nepal	**NP**	**524**
24.	Nigeria	**NG**	**566**
25.	Pakistan	**PK**	**586**
26.	Papua New Guinea	**PG**	**598**
27.	Paraguay	**PY**	**600**
28.	Peru	**PE**	**604**
29.	Samoa	**WS**	**882**
30.	Senegal	**SN**	**686**
31.	Sri Lanka	**LK**	**144**
32.	Swaziland	**SZ**	**748**
33.	Tanzania	**TZ**	**834**
34.	Togo	**TG**	**768**

35.	Uganda	**UG**	**800**
36.	Uruguay	**UY**	**858**
37.	Venezuela	**VE**	**862**

Attachment no. 2
to the Guidance on suspicious activities or transactions

COUNTRIES
of high risk due to high levels of criminality and corruption

	Country	Cod ISO	Country code by NBM classifier
1.	Afghanistan	**AF**	**004**
2.	Bangladesh	**BD**	**050**
3.	Chad	**TD**	**148**
4.	Guinea	**GN**	**324**
5.	Equatorial Guinea	**GQ**	**226**
6.	Haiti	**HT**	**332**
7.	Iraq	**IQ**	**368**
8.	Laos	**LA**	**418**
9.	Myanmar	**MM**	**104**
10.	Nigeria	**NG**	**566**
11.	Papua New Guinea	**PG**	**598**
12.	Central African Republic	**CF**	**140**
13.	Congo, Democratic Republic of	**CG**	**178**
14.	Sudan	**SD**	**736**
15.	Somalia	**SO**	**706**
16.	Tonga	**TO**	**776**
17.	Turkmenistan	**TM**	**795**
18.	Uzbekistan	**UZ**	**860**
19.	Venezuela	**VE**	**862**
20.	Zimbabwe	**ZW**	**716**

Attachment no. 3
to the Guidance on suspicious activities or transactions

OFF-SHORE COUNTRIES AND/OR ZONES

Country	ISO CODE	Country code by NBM classifier
Anguilla	AI	660
Antigua and Barbuda	AG	028
Andorra	AD	020
Aruba	AW	533
Bahamas	BS	044
Bahrain	BH	048
Barbados	BB	052
Belize	BZ	084
Bermuda-Darussalam	BN	096
Cyprus, northern part	CY	196
Costa Rica	CR	188
Djibouti	DJ	262
Dominica	DM	212
United Arab Emirates	AE	784
Philippines	PH	608
Gibraltar	GI	292
Grenada	GD	308
Guam	GU	316
Guernsey	GG	898
Hong Kong	HK	344
Dutch Antilles	AN	530
Bermuda Islands	BM	060
Cayman Islands	KY	136
Cook Islands	CK	184
Man Islands	IM	833
Marianne Islands	MP	581
Marshall Islands	MH	584
Seychelles Islands	SC	690
Turks and Cayucos Islands	TC	796
British Virgin Islands	VG	092
Jersey Islands	JE	832
Liberia	LR	430
Macao	MO	446
Malaysia	MY	458
Malta	MT	470
Mauritius	MU	480
Micronesia	FM	583
Montserrat	MS	500
Nauru	NR	520
Niue	NU	570
Panama	PA	591

Porto Rico	PR	630
Samoa	WS	882
St. Kitts and Nevis	KN	659
St. Lucia	LC	662
St. Vincent	VC	670
Haiti	HT	332
Uruguay	UY	858
Singapore	SG	702
Sri Lanka	LK	144
Vanuatu	VU	548
Champion	City in Italy	898
Madeira Islands	Islands of Portugal	898
Tangier	Region in Morocco	898

Attachment no.4

to the Guidance on suspicious activities or transactions

COUNTRIES
Non-cooperating and with a high risk of money laundering and financing of terrorism

Country	**Cod ISO**	**Country code by NBM classifier**
1. Korea, People's Democratic Republic	**KP**	**408**
2. Ethiopia	**ET**	**231**
3. Iran	**IR**	**364**
4. Bolivia	**BO**	**068**
5. Cuba	**CU**	**192**
6. Kenya	**KE**	**404**
7. Myanmar	**MM**	**104**
8. Sri Lanka	**LK**	**144**
9. Arabic Syria	**SY**	**760**
10.Turkey	**TR**	**792**

Attachment no.5
to the Guidance on suspicious activities or transactions.

COUNTRIES
Without sufficient norms in place in order to prevent money laundering and financing of terrorism (in continuous process)

Country	Cod ISO	Country code by NBM classifier
1. Angola	**AO**	**024**
2. Antigua and Barbados	**AG**	**028**
3. Argentina	**AR**	**032**
4. Bangladesh	**BD**	**050**
5. Brunei Darussalam	**BN**	**096**
6. Cambodia	**KH**	**898**
7. Ecuador	**EC**	**218**
8. Ghana	**GH**	**288**
9. Honduras	**HN**	**340**
10. Indonesia	**ID**	**360**
11. Mongolia	**MN**	**496**
12. Morocco	**MA**	**504**
13. Namibia	**NA**	**516**
14. Nepal	**NP**	**524**
15. Nicaragua	**NI**	**558**
16. Nigeria	**NG**	**566**
17. Pakistan	**PK**	**586**
18. Paraguay	**PY**	**600**
1. Philippines	**PH**	**608**
19. Sudan	**SD**	**736**
20. Tajikistan	**TJ**	**762**
21. Tanzania	**TZ**	**834**
22. Thailand	**TH**	**764**
23. Sao Tome	**ST**	**678**

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Other documents
Centre for Combating Economic Crimes and Corruption - Decision No.118 of 20.11.2007 on approval of the Guide to Suspect Activities or Transactions under the incidence of the Law on Prevention and Combating of Money Laundering and Terrorism Financing //*Official Monitor 203-206/741, 28.12.2007*

- **Order no. 63 of August 10, 2009 on the approval of methodological instructions on the application of measures for the prevention and fighting against money laundering and financing of terrorism by the audit companies and individual entrepreneurs**

Official Monitor no.157/714 of 22.10.2009

* * *

REGISTERED:
Minister of Justice
of the Republic of Moldova
_____ Alexandru TĂNASE
no.714 on 13.10.2009

In the view of the execution of the provisions of art.27, paragraph (3), a) of the Law no.61-XVI of 16th March 2007 on the audit activity (Official Monitor of the Republic of Moldova, 2007, no.117-126, art.530), with subsequent amendments and additions and art.10, paragraph (2) of the Law no.190-XVI of 26.07.2007 on the prevention and fight against money laundering and financing of terrorism (Official Monitor of the Republic of Moldova, 2007, no.141-145, art.597),

ORDER:

To approve the methodological instructions on the application of measures for the prevention and fighting against money laundering and financing of terrorism by the audit companies and individual entrepreneurs (as attached).

DEPUTY MINISTER OF FINANCE **Viorel DANDARA**

CHISINAU, 10 August 2009.
No.63.

METHODOLOGICAL INSTRUCTIONS
on the application of measures for the prevention and fighting against money laundering and financing of terrorism by the audit companies and individual entrepreneurs

Section 1
GENERAL PROVISIONS

1. These methodological instructions apply to all audit companies notwithstanding their legal organizational form, auditors acting as individual entrepreneurs based on the Law no.61-XVI of 16.03.2007 on the auditing activity. The provisions of these Instructions must be applied by the audit companies and auditors – individual entrepreneurs involved in the auditing activity.

2. The objective of these Instructions is to assist the audit companies and auditors – individual entrepreneurs in meeting their legal obligations and assuring compliance with professional requirements resulting from the applicable laws of the Republic of Moldova and elaboration of Policy for the prevention, identification and reporting of money laundering and financing of terrorism (hereinafter referred to as Policy).

3. During the auditing activity the provisions of these instructions apply to all the engaged persons (not only to the employees receiving salary). The persons involved in the engagement include all the persons who are directly involved in the process of acceptance and implementation of respective engagement, including: members of the auditing team, professional staff from other domains /disciplines involved in the engagement, the persons providing for the quality control or directly monitoring the engagement, involved professionals, except for the experts contracted by the audit company or auditor acting as individual entrepreneur.

Section 2
SIGNS OF TRANSACTIONS SUSPECTED OF MONEY LAUNDERING AND FINANCING OF TERRORISM

4. The signs of transactions suspected of money laundering and financing of terrorism are set in the Guidance on the suspicious activities or transactions approved by the order of the director of the Center for the Combating of Economic Crimes and Corruption (hereinafter referred to as CCECC) no.118 of 20.11.2007 (Official Monitor of the Republic of Moldova, 2007, no.203-206, art.741).

5. The transactions of money laundering and financing of terrorism may vary from simple transactions, such as over-payments or repeated payments of bills to complex transactions and schemes involving numerous interested parties and various methods of holding, transfer or concealment of assets. The respective transactions may be implemented directly or via mediators. The audit companies and auditors acting as individual entrepreneurs must pay proper attention to the risks of the clients, interconnected parties and other entities involved in the transactions of money laundering and financing of terrorism, bearing in mind all the possible forms of involvement into such transactions.

Section 3
RESPONSIBILITY OF AUDIT COMPANY AND AUDITOR ACTING AS INDIVIDUAL ENTREPRENEUR

6. The executive body of the audit company or the auditor acting as individual entrepreneur approves the Policy in accordance with the provisions of paragraph (1) art.9 of the Law no.190-XVI of 26.07.2007 on the prevention and fight against money laundering and financing of terrorism.

7. The responsibility of the executive body of the audit company, the auditor acting as an individual entrepreneur is not limited to the elaboration of their own policy but also implies that the policy is made known to the properly trained relevant staff. Also, the executive body of the audit company, the auditor acting as an individual entrepreneur are responsible for monitoring the compliance of conducted activities with the provisions of laws in the matters of prevention and fight against money laundering and financing of terrorism, by continuous observation of legal requirements and implementation of changes operated into the applicable laws.

Section 4
MAIN PROVISIONS OF THE POLICY OF PREVENTION, IDENTIFICATION AND REPORTING OF CASES OF MONEY LAUNDERING AND FINANCING OF TERRORISM

8. When elaborating the Policy one should take into consideration the provisions of art.9 of the Law no.190-XVI of 26.07.2007 on the prevention and fight against money laundering and financing of terrorism. The procedures of prevention and fight against money laundering and financing of terrorism described in the Policy must be applied simultaneously with the professional standards established in the National Auditing Standards.

9. In the elaboration of Policy the audit company or the auditor acting as an individual entrepreneur shall take into consideration the following:

a) the type, amount and complexity of own activities;

b) the number of various types /branches/domains of activities in which the company/auditor may be involved due to its/his clients;

c) the list of clients, the risk level associated with different clients and the activities conducted by them;

d) the risk associated with each type of rendered services (risk evaluated in the context of prevention and fight against money laundering and financing of terrorism);

e) the risk associated with the clients, with the bound parties of clients and other participants (this type of risk must be evaluated in the context of prevention and fight against money laundering and financing of terrorism).

10. These Methodological instructions do not stipulate a common format for the Policy to apply to all audit companies and auditors acting as individual entrepreneurs. Any audit company and auditor acting as an individual entrepreneur should elaborate its Policy based on their own structure, bearing in mind the provisions of these Methodological instructions. In the attachment to these Methodological instructions one may consider a model structure of Policy that may be used as a basement for elaborating one's own Policy.

Section 5
PROCEDURES OF PREVENTION AND FIGHT AGAINST MONEY LAUNDERING AND FINANCING OF TERRORISM

11. The audit company or the auditor acting as an individual entrepreneur should assure the implementation of internal control procedures elaborated bearing in mind the amount and type of activities sufficient for the attainment of the following scopes:

a) determination and approval of new procedures for the prevention and fight against money laundering and financing of terrorism, with continued monitoring of the already existing ones and making them known to the relevant staff;

b) elaboration and documentation of risk assessment procedures associated with the prevention and fight against money laundering and financing of terrorism, as may result from the practiced activities;

c) organization of training process for the relevant staff including the subsequent controls of compliance with the themes;

d) testing of Policy and procedures for compliance with the applicable laws;

e) monitoring of compliance of the activities with the elaborated Policy, including the reporting of results to the executive body.

12. The risk assessment procedures for the transactions suspected of money laundering and financing of terrorism may be integrated into the existing professional risk assessment system or into the client or transaction-related risk assessment systems and controlled separately.

13. The audit company or the auditor acting as an individual entrepreneur may evaluate the risks of transactions of money laundering and financing of terrorism for the following categories:

a) types of services;

b) types of clients;

c) domains of activity

and based on these categories they may apply a division of risks into low/normal/high.

14. The results of evaluation of risks relating to the transactions of money laundering and financing of terrorism must be used to the maximum extent in the „client identification" process.

15. The audit company or the auditor acting as an individual entrepreneur also must take into consideration the types of risks they are exposed to:

a) risk of image;

b) risk of being exploited for the purposes of money laundering and financing of terrorism;

c) risk of the audit company's or the auditor's failure to detect the fact that the client or the persons conducting transactions with the clients are involved in transactions of money laundering and financing of terrorism.

16. The procedures applicable to the client identification process are considered as some of the main procedures aimed at the prevention of transactions of money laundering and financing of terrorism. The applicable professional requirements provide for some standard procedures of accepting clients, for example, procedures providing compliance with the professional independence requirements and avoidance of conflicts of interests. The client identification procedures must be elaborated in accordance with the

requirements of the laws on the prevention and fight against money laundering and financing of terrorism and may be integrated into the standard procedures of accepting clients or may be controlled separately.

17. The audit company or the auditor acting as an individual entrepreneur must apply the client identification procedures to all clients, both the new and the existing ones. The clients must be identified, as a rule, in the following cases:

a) upon initiation of a business relationship;

b) in cases of unusual transactions;

c) when there are any suspicions of money laundering and financing of terrorism;

d) when there are any doubts as to the authenticity of previously collected data.

18. The procedures elaborated for the collection of data on the client must provide answers to the following questions:

a) who is the client?

b) who is the client's owner?

c) what is the scope and nature of relationships to be initiated?

d) what is the client's activity type?

e) what are the client's sources of financing?

f) what are the client's economic and business scopes?

19. The client identification procedures elaborated by the audit companies and auditors acting as individual entrepreneurs, applied before the initiation of business relationships must:

a) establish and verify the client's identity by the use of documents or data obtained from independent and true sources;

b) identify the client's owner (where applicable), as well as to provide an understanding of the client's control structure and verify the identity of the owner;

c) obtain information on the scope and nature of relationships to be initiated.

20. The client identification procedures must be applied during the business relationships and continuously monitor the client's activity. Monitoring must include the careful observation of transactions, sources of financing and other information collected upon initiation of relationships in order to assure compliance between the collected and existing data. At this stage special attention must be paid to the clients conducting complex and unusual transactions and/or transactions in foreign currency.

21. The audit company or the auditor acting as an individual entrepreneur must elaborate procedures in order to assure that all the relevant staff is aware of the applicable laws on the prevention and fight against money laundering and financing of terrorism, as well as provide for the organization of regular trainings in identification and reporting of transactions suspected of money laundering and financing of terrorism.

22. The audit company or the auditor acting as an individual entrepreneur shall decide on their own on how to organize the trainings. These may be affected by changes in laws, by the results of judiciary processes at national and/or international level, by the changes of risk levels, etc. A maximum term for the training of newly employed staff must be provided.

23. The audit company or the auditor acting as an individual entrepreneur should elaborate procedures for the proper registration and storage of data on the prevention and fight against money laundering and financing of terrorism. The main data to be registered includes:

a) the client identification data, including the proofs confirming the identity check (the proofs may be held both in hard copy or in electronic form);

b) data on the business relationships with the client, including the details of any unusual transactions and monitoring of business relationships;

c) data on suspicious activity;

d) personnel training data.

24. The audit company or the auditor acting as an individual entrepreneur must provide for the safekeeping of the data on the prevention and fight against money laundering and financing of terrorism according to the provisions of art.7 of the Law no.190-XVI din 26.07.2007 on the prevention and fight against money laundering and financing of terrorism.

25. The audit companies and auditors acting as individual entrepreneurs must have in place clear procedures compliant with the Law no.190-XVI din 26.07.2007 on the prevention and fight against money laundering and financing of terrorism known to all relevant staff, with procedures for reporting all suspicious transactions determined in accordance with the Guidance of suspicious activities or transactions approved by the CCECC and with these instructions, to a specially designated person from within the executive body, responsible for the accumulation of data and taking measures against money laundering and financing of terrorism. Also one must establish a certain communication chain for reporting problems of money laundering and financing of terrorism.

26. Should any suspicious transactions be identified by the audit companies or auditors acting as individual entrepreneurs, these shall be reported to the CCECC in accordance with the art.8 of the Law no.190-XVI of 26.07.2007 on the prevention and fight against money laundering and financing of terrorism.

27. According to the provisions of paragraph (2) art.12 of the Law no.190-XVI of 26.07.2007 on the prevention and fight against money laundering and financing of terrorism, the reporting of data on the suspicious transactions to the CCECC is not considered violation of the principle of confidentiality provided by the Law no.61-XVI of 16.03.2007 on the auditing activity and by the Code of Professional Conduct of Auditors and Accountants.

Section 6
FINAL AND TRANSITORY PROVISIONS

28. The audit companies and auditors acting as individual entrepreneurs within 6 months from enactment of these Methodological instructions shall elaborate and approve the Policy for prevention, identification and reporting of de money laundering and financing of terrorism.

Attachment
To the methodological
instructions on the application of
measures for the prevention and
fighting against money laundering
and financing of terrorism by the

MODEL
Structure of Policy for prevention, identification and reporting of de money laundering and financing of terrorism

Introduction

The relevant compartment shall include at least:

• a description of need to elaborate the Policy and the importance of procedures contained in the Policy;

• definition of transactions suspected of money laundering and financing of terrorism, bearing in mind the particularities of activities conducted by the audit company.

Legal acts used for the elaboration of Policy

This compartment shall include a list of legal and normative acts used for the elaboration of Policy:

• legal and normative acts encompassing the general provisions of prevention and fight against money laundering and financing of terrorism;

• legal and normative acts setting the specific provisions in the matters of prevention and fight against money laundering and financing of terrorism;

• legal acts and professional norms used for the elaboration of procedures of prevention and fight against money laundering and financing of terrorism.

Policy Objectives

This compartment shall include at least the following:

• a description of scopes pursued by the Policy;

• domain of application of Policy. The information will depend on the structure of audit company, on the types of rendered services and whether it involves third parties into its activities, etc.

Responsibilities

This compartment shall specify at least the following:

• the person responsible for the elaboration and implementation of Policy;

• modality of informing the relevant staff of the provisions of this Policy;

• modality of monitoring the compliance of activities with the provisions of applicable laws in the matters of prevention and fight against money laundering and financing of terrorism.

Procedures

This compartment shall include the procedures elaborated by the audit company for:

• implementation of internal control;

• evaluation and management of risks (for example: unordinary transactions must be estimated as transactions of high risk and compulsorily reported to the executive body);

• client identification procedures (for example: before signing a letter of engagement with a new or existing client one shall collect the basic data on the respective client, such as:

□ copy of the client's registration certificate and of the client's owner/person controlling the client;

□ copy of the ID document of the persons authorized to sign the letter of engagement;

□ copy of the client's and client owner's/controller's latest balance-sheet);

• communication and training of staff (for example: the person XXX is responsible for the organization of regular training courses for staff, as well as for informing the staff of new trends);

• registration and storage of data (for example: keeping a register of clients for at least seven years from the end of business relationships or from the end of audit);

• reporting of suspicious transactions (for example: on the internal level the staff is responsible for reporting any suspicious transactions to XXX).

- **Interdepartmental Order of 18 July 2008 No. 121/254/286-0/95 on the "Unique track on crime, criminal cases and persons who have committed crimes"**

In purposes of executing the Law. 216-XV of 29.05.2003 regarding the fully automated informational system on tracking crime, criminal cases and persons who have committed crimes and criminal procedure law, -

IS ORDERED:

1. To approve the Instruction on unique receiving, recording, evidence and reviewing complaints and other information about the crimes (Annex 1).
2. To approve the Instruction on unique record of offenses, criminal cases and persons who have committed crimes (Annex 2).
3. To approve Instruction on how completing and presenting primary evidence sheets (Annex 3).
4. To approve the Classification of codes used when entering information in the central Data Bank (Annex 4).
5. Prosecutors, heads the investigative bodies will organize the study and implementation of this Order by the subordinates, by passing a colloquium.
6. To revoke the Interdepartmental Order no.124/319/46/172-O/101 date since 26.08.2003 of the Prosecutor General, Minister of Internal Affairs, Director of Information and Security Service, Director General of the Customs Department, Director of the Centre for Combating Economic Crimes and Corruption "on uniquetrack on crime, criminal cases and persons who have committed crimes ".
7. Owner of the Central Information Bank system for integrated automated data record of offenses, criminal cases and persons who have committed crimes will provide participants with the necessary number of orders system.
8. The control on exercising the present Order shall be the responsibility of the Directorate information and records of the MIA, together with leaders of the Prosecutor ′s office and the investigative bodies.
9. This order shall come into force on 01.01.2009.

Valentin Mejinschi **Viorel Melnic** **Sergiu Puşcuţa**

APPROVE
General Prosecutor of the Republic of Moldova
ValeriuGurbulea

Annex 1
To the Interdepartmental Order
Prosecutor General
Minister of Internal Affairs,

Director General of the Customs Service,
Director of the Centre for Combating Economic Crimes and Corruption
no. 121/254/286-O/95 of 18.07.2008

INSTRUCTIONS
unique receiving, recording, evidence and reviewing complaints and other information about the crimes

I. General provisions

1. The present prescriptions regulate the following:

- Receipt, recording, tracking and examination of complaints and other information about the crimes;
- Recording and evidence of dismissed requests;
- For verification of the fullness and opportunity of the evidence of requests on crimes and other information about crimes.

2. Information about offenses received by authorities depending on the criteria receiving and procedure of examination, dividing into two categories:

a) complaints about committed, prepared or under preparation crimes, prescript in the Criminal Code (hereinafter CC), containing a description of the offense and in accordance with the law on the criminal procedure can serve as basis for criminal proceedings (complaints).

Complaints include requests, denunciations, self denunciations made by a person or legal entity, acts of finding bodies and law-enforcement official's reports on direct detection of the offense established in accordance with Art. 262-264 of the Criminal procedure Code (CPP).

b) other information relating to crimes and incidents, complaints or denunciations or other submissions or anonymously communications about crime, that do not correspond to Art. 263 of the Criminal Procedure Code (hereinafter further information), which under the criminal procedure can not be basis for criminal proceedings, but additionally can be checked and, if necessary, under the law, the investigative body is obliged to take action towards criminal investigations.

The category of "other information" shall include the information published by the media, received by telephone, telefax, fax, teletype, network "Internet" and other unverified sources, anonymous complaints and denunciations, and oral and written facts and incidents which do not contain the description of a specific crime, and contain deviations from the provisions of Articles 262 to 264 of the Code of Criminal Procedure (hereinafter CCP).

3. Receive notifications and other information about crime are all mandatory actions for the investigative body empowered with responsibilities for receipt, in accordance with applicable law and these instructions.

4. Complaints about offenses recorded in the Register of complaints about crime (Register 1, Appendix 1), and other information on crimes and incidents respectively Register of other information on crimes and incidents (Register No. 2, Annex 2), which are considered as unique and primary evidence documents.

II. Notification, registering of the complaint.

5. Receiving complaints, regardless of place and time of committing criminal acts, of the announced data completeness, is done daily, during the working hours, and the guard units and police personnel on duty over 24 hours. Outside the working facilities, the employed personnel of the investigative body that is on duty, receive notifications of crime and will immediately notify the emergency service unit of the body by telephone or other means of connection the content of the complaint if its transmission will take more than 3 hours. In this case, the employee after receiving the complaint will proceed in accordance with art. 273 CPC.

The authority is obliged to receive and register the complaints even if the case does not fall under it competence.

6. Complaints received by post in the secretariat office (the office) are recorded in accordance with the rules of registration of incoming correspondence and reported immediately to the head of the criminal investigation body that will dispose the registration in the Register 1, mentioning reasonable terms for examination.

Categorically is prohibited:

- Submission of the complaint for examination if it is not registered as provided in these instructions;

- Registration of the complaints in the authority′s secretariat by individuals or legal representative of the legal entities.

7. If the person is addressing an oral complaint, denunciation or self-denunciation, it shall be recorded in an official act signed by the person making the declaration and the on duty representative of the body that has received the notification.

Officials who have received the complaint will explain to the person who filed the complaint or denunciation, that is bears responsibility in case if it is intentionally slanderous denunciation, or contains false information, fact which shall be recorded in the official act, where appropriate, in the content of the complaint with a specific notification and confirmed by the signature of the person who made the denunciation or complaint.

Self-denunciation is made in accordance with the requirements of Art. 264 CPC.

8. The person-representative of the official body, who has received the official notification, including the oral declared one, immediately releases to the petitioner who filed the complaint a certificate of that fact (Annex no. 5), indicating the person who received the complaint or denunciation, her/his signature, the content of the complaint or denunciation briefly, the date and time of receipt.

Forms certificates are documents of strict evidence, which shall be issued and kept by the secretariat workers of the office and are handed with signature according to the list approved by the head of the body (subdivision, institution).

The spine of the certificate is completed by the official who received the complaint or denunciation, and shall be returned after expiry of the report period (annually) in the office (secretariat) for storage, according to the rules of filing of the register for complaints about crime.

The certificate (spine) shall not be issued if the notification is filled by the post office.

9. Filing notification shall be in the state language. The person that does not know the national language shall be entitled to lodge a complaint in his own language, or the language he/she knows.

III. Registering complaints.
Management and record keeping of the Registers no. 1 and no. 2

10. Record of the complaints is made immediately after receipt. For the investigative bodies are annually given numbers of evidence consisting of 11 digits, which means: first 4 - year, fifth and sixth - the code of territory, 7-11 - serial number.

The distribution of registration numbers is determined by the Direction of information and operational records (the DI and OR) of the Ministry of the Interior (hereinafter MAI).

11. Persons responsible for completing Registry No.1 and Registry No.2 and the original record of complaints, are appointed by the head of the body.

In the MIA the Registers no. 1 and no. 2 are performed by the emergency units of the territorial bodies and of the specialized agencies. Persons that are on service in the unit are responsible for registering complaints, the issuance of certificates (Annex 5), the fullness complete of the compartments of Registers no. 1 and no. 2.

The responsibility for completing the compartments no. 8 and no. 9 of registry no. 1 that is aver the results of the investigation and the adopted decision over the complaints are put in charge of evidence and record subdivisions of the body that are responsible for the unique record of offenses/complaints related to criminal cases and persons who have committed crimes (hereinafter - the subdivision of record).

12. All supplies of the Registers no. 1 and no. 2 are completed in accordance with the rules printed on the back of the title sheet. Each entry must contain complete information.

13. On complaint or other information concerning the offense will be applied a special stamp (Annexes. 3, 4), which includes the time of registration, registration number, position, name and signature of the person who made the registration records no. 1 or no. 2.

14. In case of complaints that had been previously recorded in the register no. 1 in that special section of the registry will be done a note regarding the registration number of the previously registered notification.

Upon registration in the register no. 1 of a complaint, information that had been previously registered in the register no. 2 will be completed with the mention over the number of the complaint recorded in the register no. 1.

15. Registers no. 1 and no. 2 must be numbered, sewn, sealed and kept as classification folders. After the period of report (annual) they are sent for storage to the office in the secretariat /archives of the body. Retention period shall be determined in accordance with departmental normative acts in force regarding classification folders and records.

16. In the body’s facility, the Register of complaints about crime and Register of other information about crimes and incidents shall be presented to the prosecutor encharged with its control at his/hers first request.

IV. Organizing the examination of complaints

17. After registration, notifications are immediately reported to the head of the criminal investigation body or his deputy, who organizes the examination and determines its order.

18. Complaints about crimes are examined in accordance with the Code of Criminal Procedure. The notified body, makes to the prosecutor the following proposals:

a) to start a criminal investigation;

b) to refuse initiation of a criminal investigation;

c) to present the information on flagrant offense.

Repeatedly registered complaints are attached to the materials that are already in examination based on the previously filed complaint. Analog proceed in event in case if for two or more complaints is issued a single decision.

19. The criminal investigation body notified as provided in Art. 262 and 273 CPC has, disposes by ordinance, the start of criminal prosecution/investigation if, in the content of the complaint or acts of investigation reveals a reasonable suspicion that a crime has been committed and there are no circumstances which exclude the criminal proceedings, informing about the decision the person/institution who submitted the complaint.

Statements of facts of the crime, made under the provisions of the CPC, together with the gathered evidence, shall be submitted within 24 hours, by the investigative bodies constituted by law in the Ministry of Internal Affairs, the Centre for Combating Economic Crimes and Corruption and Customs Service, and the other organs of finding – to the prosecutor for criminal prosecution.

20. The term of examination of the complaints, is reasonable. The head of the criminal investigation body shall ensure that reasonable time of examination is respected, depending on the complexity of the case, and will dispose regarding terms by resolution fixed terms, which may be extended at motivation.

Until the end of the examination, the investigator submits a written report to the head of the investigating authorities to extend the period of examination, specifically arguing the impossibility of adopting the decision.

This report, and the resolutions of the head of the investigative body will be attached to the materials, and its copy will be presented for recorded in the record subdivision (MAI organs - guard unit). The head of the record subdivision makes in the special section of the Registry no. 1 mentions about extension of examination terms.

21. If the prosecutor considers that the materials submitted with the proposal for refusal in criminal investigations don’t determine such a decision, and is possible to initiate the criminal proceedings, he/she will return documents with the order, to start the criminal under art. 274 CPC.

Within 24 hours of receipt of the returned materials for initiation of prosecution, the representative of the investigation body will to execute the instructions and will present to the prosecutor the act of starting the criminal proceedings for confirmation in accordance with art. 274 CPC.

If the prosecutor has examined the proposal for refusal of criminal proceedings and started the criminal investigation, the materials will be sent to the investigative body for record and evidence of the proceedings with the allocation of an order number of the criminal case.

22. In case when during the prosecution is established a new crime, the investigator shall report stating the circumstances of the detected crime and immediately after registration in the register of complaints about offenses will dispose the initiation of prosecution.

23. The criminal investigation body notified as provided by art. 262 CPP is obliged to check its material and territorial competences.

If the prosecuting authority finds that it is not competent to prosecute, it immediately, but not later than three days, will sent the case to the prosecutor who leads the prosecution to bring it to the competent body.

In this case the body is forced to perform criminal actions that can not be postponed.

24. If prosecution is started/initiated, in Register No. 1 will be noted the date of initiation and evidence number of the case.

V. Receipt and examination of other information relating to offenses

25. If other information regarding crimes is received, it will be immediately recorded in the register no. 2 indicating the communicated actual facts and then organizing their verification. This information can serve as basis for: examination of the crime scene/place, carrying out operative investigative activities, maintaining tracks and samples, starting revisions or other actions of verification.

Outside the facilities of the investigative body, employees that are duty, after receiving other information about crime, shall immediately notify the guard unit of the body by telephone or other means of connection, reporting the content of the complaint.

The investigative body is obliged to receive and record other information about the crime even in cases that it does not fall under its competences.

Examination results are reflected in the relevant section of the Register No.2.

Examination of other information about the crime is made according to the Law on operative investigations and other organic laws.

26. In case of confirmation of the information about crime, the official that receives the complaint or denunciation will file the complaint in the established order, and in case of detection of a crime will file a report which will be recorded in the Register No.1.

If the information about crimes has not confirmed, the investigator will file a motivated resolution to the head of the investigative body, together with the gathered materials that confirm the reasons for dismissing of the case.

All examination materials and other information approved by the head of the body are stored in the special nomenclature file, with the assignment of a special evidence number.

27. Terms for review of other information about crimes and incidents, complaints and anonymous denunciations requiring additional control are reasonable. The head of body shall ensure,by resolution, setting of the reasonable time for examination, depending on the complexity of the case, fixed terms, which may be extended at motivation.

This report, and the resolutions of the head of the investigative body will be attached to the materials, and its copy will be presented for recorded in the record subdivision (MAI organs - guard unit). The head of the record subdivision makes in the special section of the Registry no. 1 mentions about extension of examination terms.

If for the adoption of the decision on information about crimes recorded in the register no. 2 are needed inventory or results of technical-scientific, forensic information, the investigator submits a written report to the head of the investigating authorities to

extend the period of examination, specifically arguing the impossibility of adopting the decision.

This report, and the resolutions of the head of the investigative body will be attached to the materials, and its copy will be presented for recorded in the record subdivision (MAI organs - guard unit). The head of the record subdivision makes in the special section of the Registry no. 2 mentions about extension of examination terms.

28. In case of any information regarding the crime that was previously recorded in registers no. 1 or 2 in that section of the Registry no. 2 will be indicated the registration number in reference to the information previously recorded, the name and signature of the person making the statement.

29. If other information relating to offenses is registered regardless the territorial jurisdiction of the body in which the information is received, the person responsible for the subdivision in which the information is received (MIA, Guard units) will record it in the register no. 2, informing the competent territorial authority immediately via telephone line.

In this case the person shall immediately notify the competent body and the person who sent the information, specifying the registration number in Register no. 2.

In the relevant section of the Registry no. 2, the responsible worker who submitted the information to the competent body, indicates the registration number.

30. If are detected corpses with signs of violent death or injuries that were caused as a result of criminal actions, the investigative body will register ex-officio a complaint about crime (Registry no. 1) immediately after examining the crime scene, action which is mandatory. In all these cases, will be adopted one of the decisions under Art. 274 CPC.

31. Further information on crimes received by the office secretariat (the office) are recorded in accordance with rules of registration of incoming correspondence and the orders/resolutions of the head of the body regarding the registration in the Register no. 2 and the examination period.

Categorically is prohibited:

- Submission of other information on crimes for examination if it is not registered as provided in these instructions;

- Registration of other information on crimes in the authority′s secretariat by individuals or legal representative of the legal entities.

VI. Recording and evidence of dismissed requests

32. The investigator who issued the proposal of refusal to initiate the criminal investigation, in the same date, will transmit the proposal and gathered materials to the secretariat of the office in order to be sent to the territorial prosecutor's office.

The copy of the attachment will be presented for record keeping in the subdivision of the investigative body, which will make necessary entries in section no.9 of the Register no. 1.

The Territorial Prosecutor Office shall record in the secretariat the report with the mentioned proposal together with the materials, fixing reasonable period in order to adopt one of the following decisions:

- to refuse initiation of a criminal investigation
- to start a criminal investigation by the investigative body
- to start a criminal investigation

33. After issuing the ordinance of refusal in initiation of the criminal investigation, the prosecutor will send to the investigative body the materials and 2 copies of the adopted decision.

34. The material in which was disposed the decision of refusing the initiation of criminal investigation will be filed in the Register (Annex no. 6) and by giving a record number.

Register of materials in which was disposed the decision of refusing the initiation of criminal investigation must be numbered, sewn, sealed and taken on record as the nomenclature file. After the period of report (annual) it is sent for storage to the secretariat.

Along with recording of materials in which was disposed the decision of refusing the initiation of criminal investigation prosecution, the employee of the record subdivision will make notes in the relevant section of the Registry no. 1 mentioning the adopted decision and assigned serial number.

35. A copy of the prosecutor's ordinance will remain in the record subdivision and the materials will be transmitted, after its registration within 24 hours to the head of the criminal investigation body, under signature.

VII. Unique record of complaints

36. Initial record of the complaints is made by appointed responsible in accordance with paragraph 11 of the present Instructions.

37. The MIA the initial record is made by the Guard units and subdivisions of evidence/record.

38. Initial record of the complaints is made by that body based on an automated data processing system (AIPS below) in the Registry no. 1. Along with registering the complaint, the official who files the complaint will enter the information in the AIPS data base.

All data entered into AIPS regarding complaints within 24 hours, are transmitted through the telecommunications network to the DI OR for Centralized account recording.

Decisions taken on the complaints are entered into AIPS subdivision along with the appropriate mentions of the registry entries No.1.

39. Central record of complaints is carried out in central database (the CDB) of DI and OR in the SIAI "Evidence complaints" (the SIAI "Record complaints') according to the respective original records of complaints received by telecommunications networks. Mode of transmission, reception and processing of information shall be determined by special technology instructions.

Unique record of complaints is based on the original record and central record within the SIAI "Record complaints', which is part of the Central Bank of MIA data.

VIII. Control

40. Head of the criminal investigation body shall ensure the recording of complaints and other information relating to offenses as provided in these instructions. He is responsible for the registration and complete records of complaints and other information relating to offenses, veracity and objectivity of the original record.

Head of the criminal investigation body provides examination of complaintsabout crimeas required by CPC, and is responsible for receiving objective and fair decisions of subordinates.

DI and OR is responsible for central record of complaints in the SIAI "Record complaints'.

Also, DI and OR of the MIA controls and verifies the discipline of registration/record of complaints and other information relating to crime in all organs of MIA.

The prosecutor continuously monitors execution and registration of complaints relating to crimes.

41. The head of the body daily verifies the discipline in recording complaints and other information relating to crimes and applies disciplinary measures to subordinates, who admitted violations of the provisions of these Instructions.

The head of the body establishes by an order, a special committee headed by the head of the criminal investigation body, called the "discipline inspection commission on registration/filing of the complaints and other information relating to crimes» (the Commission).

The operation of the committees shall be regulated by rules of procedure separately for each participant in the system (Ministry of Internal Affairs, Customs Service, Centre for Combating Economic Crimes and Corruption).

42. Chief of subdivision where were registered the complaints or other information relating to crimes (for MIA - guard unit) shall inform daily, in writing the head of the body, over the deadlines/expired terms of examination.

43. For transparency in the activity of the investigative bodies, and in order to assure the respect of the petitioner´s rights (Annex no. 7), the information regarding the addresses and telephone numbers of superior bodies, is displayed in especially arranged places in the investigative body facilities and for organs MIA at police stations.

44. Leaders of the investigative bodies will present to the prosecutor, until the 3rd date of the following month, the list of the unexamined complaints, indicating the date of registration and reasonable terms of examination.

45. Subdivision worker will carry out monthly checks of data recorded in AIPS with BCD. About revealed differences will inform immediately, in writing form, the head of the body and the DI and EO.

IX. Final provisions

46. MIA bodies, for concluding operative synthesis, will pass to the guard units/record units, data referring to the recorded complaints and information, by means of available telecommunication.

- **SIS Order No. 68 of 15.11.2011 on the lists of persons, groups and entities involved in terrorist activities**

Official Monitor no.203-205/1789 of 25.11.2011

* * *

Based on the article 14 paragraph (4) of the Law no.190-XVI of 26th July 2007 on the prevention and fight against money laundering and financing of terrorism (Official Monitor of the Republic of Moldova, 2007, no.141-145, art.597) and in the view of implementation of the Resolution of the Security Council of the United Nations Organization no.1988 (2011) and no.1989 (2011),

ORDER:

1. To communicate to the reporting entities and public authorities responsible for the prevention and fight against money laundering and financing of terrorism:

The list of persons and entities associated with "Taliban", maintained by the Security Council of the United Nations Organization by its Resolution 1988 (2011) (Attachment no.1);

The list of persons, groups, enterprises and other entities associated with "Al-Qaida" maintained by the Security Council of the United Nations Organization by its Resolution 1267 (1999) (Attachment no.2);

The list of persons, groups and entities falling under the incidence of articles 2, 3 and 4 of the Common Position 2001/931/PESC on the application of specific measures for fighting against terrorism (Attachment no.3).

2. Additional data on the persons, entities, groups and enterprises included into the attachments no.1 and no.2 may be consulted on the webpage: www.un.org.

3. The electronic versions of the lists of persons and entities involved in terrorist activities shall be made available in the Internet on the webpage www.antiteror.sis.md and distributed upon request to the public authorities, reporting entities and interested persons.

4. The control upon the execution of this order shall be referred to the chief of Anti-Terrorist Center of the Security and Information Service.

5. The order no.75 of 14th November 2007 on the lists of persons and entities involved in terrorist activities is abrogated (Official Monitor of the Republic of Moldova no.180-183/670 of 23.11. 2007).

DEPUTY DIRECTOR OF
SECURITY AND INFORMATION SERVICE **Valentin DEDIU**

Chisinau, 15th November 2011.
No.68.

- **Excerpt from the Order of the head of OPFML No. 200 from 29.12.11 for approving the Handbook on activity of OPFML**

1.D. Analytical activity of service

The analytical activity of Service is conducted in the manner established by the applicable laws and these regulations. The analytical activity is a complex of measures aimed at the identification of illegal actions or associated crimes of private individuals or corporate entities – subjects of the Law no. 190-XVI of 26.07.2007 «on the prevention and fight against money laundering and financing of terrorism».

The analytical activity includes the collection of data for the object of analysis, comparison, processing, cross-checking, determination of the probability degree and risks, finalization and formulation of proposals. The data is collected from the following sources:

- CCECC database;
- Service's database;
- external databases (departmental, international, mass-media, Internet);
- information obtained from operative or investigation activities;
- additional information (requested from reporting entities and other private individuals or corporate entities).

Based on the established tasks, the analytical activity is divided into:

- operative analysis;
- tactical analysis;
- strategic analysis;
- mixed or combined analysis (depending on the specifics of tasks, available resources or information).

The results of analytical activities are reflected in reports, statistical bulletins, analytical notes, explanatory notes and informational letters.

Based on the results of conducted analysis the executive or responsible officer shall decide on the justification of the follow-up activities:

- additional analysis (sending-out of inquiries);
- initiation of an operative verification;
- initiation of a documentary verification, revision or other controls to be performed by the General Department of Control and Revision of CCECC;
- inquiry for the conduction of control by another specialized competent authority (State Fiscal Inspection, Court of Accounts, National Bank, other controlling authorities of the state);
- referral by lines of competence;
- suspension of further examination due to objective reasons or circumstances;
- termination of further processing and archiving of accumulated materials.

The proposals are included into the analysis result document. Following the examination of the results and accumulated materials the management of Service adopts the decision on the follow-up activities in a written resolution.

According to the adopted decision the executor or the responsible officer shall conduct the further processing of data and accumulated materials.

1.1.1. Operative analysis of forms

Operative analysis is a part of tactical analysis and all business processes in the Service, including the preparation and processing of information and materials received from the reporting entities and other private individuals or corporate entities by the officers of Service in the domain or sector of their responsibility. Operative analysis also include the further examination and processing of newly obtained data.

The main objective of operative analysis is the efficient use of received data given the available resources and databases for the detection of the signs of crimes in the actions of private individuals or corporate entities – subjects of the law no. 190-XVI of 26.07.2007 «on the prevention and fight against money laundering and financing of terrorism».

The operative analysis is based on the incoming information and other available data.

The operative analysis is conducted in order to identify the actions related to the money laundering, financing of terrorism and associated crimes at the stage of preparation, commission or already committed.

The results of operative analysis, depending on the necessary follow-up activities, are set out in the reports, statistical bulletins, analytical notes, explanatory notes or informational letters.

1.1.2. Tactical analysis of forms

Tactical analysis is a component of strategic analysis and all business processes of Service, including the theory and practice of preparations and processing of data and materials by the officers of the Service personally, in workgroup, collectively or in teams with the officers of other subdivisions of the CCECC or other structures. The tactical analysis includes the investigation, verification, preparations and implementation of all possible methods of obtaining, verification and further processing of data.

The main task of tactical analysis is the efficient use of necessary resources, information and databases for the detection of the signs of crimes in the actions of private individuals or corporate entities – subjects of the law no. 190-XVI of 26.07.2007 «on the prevention and fight against money laundering and financing of terrorism»..

The tactical analysis is based on the results of operative analysis and other available data.

The tactical analysis is performed in order to determine the criminal circles, the schemes of flows, causes and development trends in the prevention and fight against money laundering and financing of terrorism. The tactical analysis is aimed at identification of schemes used for money laundering, financing of terrorism and associated crimes at the stage of preparations, implementation or already implemented.

The results of tactical analysis, depending on the necessary follow-up activities, are set out in the reports, statistical bulletins, analytical notes, explanatory notes or informational letters.

1.1.3. Strategic analysis of forms

Strategic analysis is a long term qualitative determination of a complex of measures applicable to the sphere, tools and activity forms of the Service, as well as to the system

of internal relationships and position of Service, to the positions of Service in relationships with other state institutions, reporting entities and other corporate entities and private individuals.
The main objective of strategic analysis is the efficient use of available resources and databases for the attainment of scopes.
The strategic analysis is based on the results of operative or tactical analysis and other available data.
The strategic analysis is conducted in order to determine the priority directions of the Service for a long period of time in the matters of prevention and fight against money laundering, financing of terrorism and associated crimes. The strategic analysis is aimed at identification of large schemes:

- at national level;
- at international level;
- involving numerous corporate entities and/or private individuals;
- affecting the strategic sectors of national economy;
- widely spread among economic agents;
- casting threats over the country's economic or other security.

The results of strategic analysis, depending on the necessary follow-up activities, are set out in the reports, statistical bulletins, analytical notes, explanatory notes or informational letters.

1.3.9 Financial investigations
The financial investigation includes the entire complex of actions and measures provided by this methodology, applied in strict compliance with the normative basis and with the regulations applicable to the actions implemented completely, partially or selectively, based on the appropriateness and need for particular actions.
The scope of such analysis consists in the identification of assets, including financial ones, subject to arrest and confiscation in accordance with the laws.
The appropriateness of any measures for any financial investigation is determined by the executor and coordinated with the Service management.