GLOBAL FORUM ON
TRANSPARENCY AND EXCHANGE OF
INFORMATION FOR TAX PURPOSES

Peer Review Report on the Exchange of Information on Request

MOLDOVA

2024 (Second Round, Combined Review)

PEER REVIEW REPORT ON THE EXCHANGE OF INFORMATION ON REQUEST
This peer review report was approved by the Peer Review Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) on 19 June 2024 and adopted by the Global Forum members on 18 July 2024. It was prepared for publication by the Global Forum Secretariat.

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Reader’s guide

The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 160 jurisdictions that participate in the Global Forum on an equal footing. The Global Forum is charged with the in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes (both on request and automatic).

Sources of the Exchange of Information on Request standards and Methodology for the peer reviews

The international standard of exchange of information on request (EOIR) is primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary and Article 26 of the United Nations Model Double Taxation Convention between Developed and Developing Countries and its commentary. The EOIR standard provides for exchange on request of information foreseeably relevant for carrying out the provisions of the applicable instrument or to the administration or enforcement of the domestic tax laws of a requesting jurisdiction. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including ownership, accounting and banking information.

All Global Forum members, as well as non-members that are relevant to the Global Forum’s work, are assessed through a peer review process for their implementation of the EOIR standard as set out in the 2016 Terms of Reference (ToR), which break down the standard into 10 essential elements under three categories: (A) availability of ownership, accounting and banking information; (B) access to information by the competent authority; and (C) exchanging information.
The assessment results in recommendations for improvements where appropriate and an overall rating of the jurisdiction’s compliance with the EOIR standard based on:

1. The implementation of the EOIR standard in the legal and regulatory framework, with each of the element of the standard determined to be either (i) in place, (ii) in place but certain aspects need improvement, or (iii) not in place.

2. The implementation of that framework in practice with each element being rated (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant.

The response of the assessed jurisdiction to the report is available in an annex. Reviewed jurisdictions are expected to address any recommendations made, and progress is monitored by the Global Forum.

A first round of reviews was conducted over 2010-16. The Global Forum started a second round of reviews in 2016 based on enhanced Terms of Reference, which notably include new principles agreed in the 2012 update to Article 26 of the OECD Model Tax Convention and its commentary, the availability of and access to beneficial ownership information, and completeness and quality of outgoing EOI requests. Clarifications were also made on a few other aspects of the pre-existing Terms of Reference (on foreign companies, record keeping periods, etc.).

Whereas the first round of reviews was generally conducted in two phases for assessing the legal and regulatory framework (Phase 1) and EOIR in practice (Phase 2), the second round of reviews combine both assessment phases into a single review. For the sake of brevity, on those topics where there has not been any material change in the assessed jurisdictions or in the requirements of the Terms of Reference since the first round, the second round review does not repeat the analysis already conducted. Instead, it summarises the conclusions and includes cross-references to the analysis in the previous report(s). Information on the Methodology used for this review is set out in Annex 3 to this report.

**Consideration of the Financial Action Task Force Evaluations and Ratings**

The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating terrorist financing (AML/CFT) standards. Its reviews are based on a jurisdiction’s compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.
The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR. The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as the FATF definition is used in the 2016 ToR (see 2016 ToR, Annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combating money-laundering and terrorist financing) is different from the purpose of the EOIR standard (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum’s mandate.

While on a case-by-case basis an EOIR assessment may take into account some of the findings made by the FATF, the Global Forum recognises that the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example, because mechanisms other than those that are relevant for AML/CFT purposes exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

These differences in the scope of reviews and in the approach used may result in differing conclusions and ratings.

More information

All reports are published once adopted by the Global Forum. For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published reports, please refer to www.oecd.org/tax/transparency and http://dx.doi.org/10.1787/2219469x.
### Abbreviations and acronyms

<table>
<thead>
<tr>
<th>2016 Terms of Reference</th>
<th>Terms of Reference related to EOIR, as approved by the Global Forum on 29-30 October 2015</th>
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<tbody>
<tr>
<td>AIS CCED</td>
<td>Automated Information System for Creating and Circulating Electronic Documents</td>
</tr>
<tr>
<td>AML</td>
<td>Anti-Money Laundering</td>
</tr>
<tr>
<td>AML/CFT</td>
<td>Anti-Money Laundering/Countering the Financing of Terrorism</td>
</tr>
<tr>
<td>BO</td>
<td>Beneficial Owner</td>
</tr>
<tr>
<td>CDD</td>
<td>Customer Due Diligence</td>
</tr>
<tr>
<td>CIS Agreement</td>
<td>Agreement between Member States of the Commonwealth of Independent States on Co-operation and Mutual Assistance on Issues of Compliance with the Tax Legislation and Combating Violations in this Area</td>
</tr>
<tr>
<td>DTC</td>
<td>Double Taxation Convention</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>EOI</td>
<td>Exchange of Information</td>
</tr>
<tr>
<td>EOIR</td>
<td>Exchange of Information on Request</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EUR</td>
<td>Euro</td>
</tr>
<tr>
<td>FATF</td>
<td>Financial Action Task Force</td>
</tr>
<tr>
<td>Global Forum</td>
<td>Global Forum on Transparency and Exchange of Information for Tax Purposes</td>
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<tr>
<td>IDNO</td>
<td>Identification Number of Organisation</td>
</tr>
<tr>
<td>IDNP</td>
<td>Identification Number of Person</td>
</tr>
<tr>
<td>JSC</td>
<td>Joint Stock Company</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>LLC</td>
<td>Limited Liability Company</td>
</tr>
<tr>
<td>MDL</td>
<td>Moldovan Leu</td>
</tr>
<tr>
<td>Multilateral Convention</td>
<td>Convention on Mutual Administrative Assistance in Tax Matters, as amended in 2010</td>
</tr>
<tr>
<td>NBM</td>
<td>National Bank of Moldova</td>
</tr>
<tr>
<td>NBS</td>
<td>National Bureau of Statistics</td>
</tr>
<tr>
<td>NCFM</td>
<td>National Commission for Financial Market</td>
</tr>
<tr>
<td>OPFML</td>
<td>Office for Prevention and Fight against Money Laundering <em>(serviciul prevenirea și combaterea spălării banilor)</em></td>
</tr>
<tr>
<td>PSA</td>
<td>Public Service Agency</td>
</tr>
<tr>
<td>SCDS</td>
<td>Single Central Depositary of Securities</td>
</tr>
<tr>
<td>STS</td>
<td>State Tax Service</td>
</tr>
<tr>
<td>TIEA</td>
<td>Tax Information Exchange Agreement</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
</tbody>
</table>
Executive summary

1. This report analyses the implementation of the standard of transparency and exchange of information on request in the Republic of Moldova (Moldova) on the second round of reviews conducted by the Global Forum, including in respect of exchange of information requests received and sent during the review period of 1 January 2020 to 31 December 2022. Moldova joined the Global Forum in 2016. Hence, the current report is the first assessment of the legal and regulatory framework and the practical implementation for transparency and exchange of information on request in Moldova.

2. Due to the COVID-19 pandemic, the onsite visit that was scheduled to take place in the first quarter of 2021 could not take place. Consequently, the review of Moldova has been conducted in two phases, with a desk-based Phase 1 review leading to the adoption in November 2021 of the report assessing the legal and regulatory framework of Moldova against the 2016 Terms of Reference (Phase 1 report). The onsite visit to Moldova took place in October 2023 and the present review complements the first report with an assessment of the practical implementation of the standard. Changes made to the legal framework since the Phase 1 review as on 11 April 2024 have also been assessed (see Annex 3).

3. This report concludes that Moldova has a legal and regulatory framework that broadly ensures the availability of, access to and exchange of relevant information for tax purposes, but that this framework requires improvement in several areas. Moldova has taken supervisory and enforcement actions to ensure the effectiveness of the practical implementation of the legal and regulatory framework, but supervision and enforcement actions should be strengthened. Moldova is therefore rated overall Largely Compliant with the standard.
Summary table of determinations and ratings

<table>
<thead>
<tr>
<th>Element</th>
<th>Determinations</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.1</td>
<td>Availability of ownership and identity information</td>
<td>Needs improvement</td>
</tr>
<tr>
<td>A.2</td>
<td>Availability of accounting information</td>
<td>Needs improvement</td>
</tr>
<tr>
<td>A.3</td>
<td>Availability of banking information</td>
<td>In place</td>
</tr>
<tr>
<td>B.1</td>
<td>Access to information</td>
<td>In place</td>
</tr>
<tr>
<td>B.2</td>
<td>Rights and Safeguards</td>
<td>In place</td>
</tr>
<tr>
<td>C.1</td>
<td>EOIR Mechanisms</td>
<td>In place</td>
</tr>
<tr>
<td>C.2</td>
<td>Network of EOIR Mechanisms</td>
<td>In place</td>
</tr>
<tr>
<td>C.3</td>
<td>Confidentiality</td>
<td>In place</td>
</tr>
<tr>
<td>C.4</td>
<td>Rights and safeguards</td>
<td>In place</td>
</tr>
<tr>
<td>C.5</td>
<td>Quality and timeliness of responses</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Overall rating</td>
<td></td>
<td>Largely Compliant</td>
</tr>
</tbody>
</table>

Note: The three-scale determinations for the legal and regulatory framework are In place, In place but certain aspects of the legal implementation of the element need improvement (needs improvement), and Not in place. The four-scale ratings are Compliant, Largely Compliant, Partially Compliant, and Non-Compliant.

Transparency framework

4. Since joining the Global Forum in 2016, Moldova has made efforts to put in place the necessary legal and regulatory framework to comply with the standard, including to ensure the availability of information on the legal ownership and beneficial owners of legal entities and arrangements.

5. Moldova’s company laws provide for legal requirements to ensure the availability of legal ownership information. These requirements are supplemented by the Law on State Registration of Legal Entities and Individual Entrepreneurs, which specifies the detailed requirements for legal entities to register with the Public Service Agency (PSA), i.e. the State Register of Legal Entities of Moldova.

6. Since 2017, the Law on Prevention and Combating Money Laundering and Terrorism Financing (the AML Law) requires maintaining up-to-date beneficial ownership information by the companies and partnerships themselves, in addition to a wide range of AML-obliged persons (or reporting entities). The 2021 Phase 1 report identified deficiencies and in 2023, Moldova amended the AML Law to address issues relating to the definition of beneficial owners, and issued binding guidance to the reporting entities for the identification of beneficial owners.

7. In addition, since the amendment to the AML Law in July 2023, Moldova has been developing relevant legal procedures for the central
registration of beneficial ownership information of all relevant entities with the Public Service Agency and of all relevant arrangements with the State Tax Service.

8. Moldova’s Law on Accounting and Financial Reporting places the necessary requirements of maintaining reliable accounting records with underlying documentation on all Moldovan legal entities and foreign entities carrying out entrepreneurial activities in Moldova. Also, under the Tax Code, taxpayers are required to keep records, including accounting documents, to substantiate their tax obligations. The obligations on fiducia and foreign trusts operated by Moldovan resident trustees are less clear and complete.

9. Banking information is generally available in Moldova in line with the standard, though detailed guidance regarding the definition of beneficial ownership of legal persons and legal arrangements was newly issued, effectiveness of which could not be tested during the current review period.

10. Moldova has taken supervision and enforcement actions to ensure the availability of banking information, including the related beneficial ownership information. However, there is a lack of sufficient supervision mechanism in place to ensure the identity and legal ownership information of relevant entities and arrangements is available in Moldova as required. The supervision and enforcement activities taken to ensure the availability of accounting information also need to be strengthened.

Key recommendations

11. The key recommendations issued in this report relate to both the legal and regulatory framework on specific aspects and more generally on the supervision and enforcement of this framework.

12. Overall, Moldova has in place a legal and regulatory framework that ensures the availability of ownership and identify information of relevant entities and arrangements, but certain issues were identified. Key recommendations refer to the gaps that not all entities are required to engage an AML-obliged person and that there are no legal procedures and measures in place to ensure the beneficial ownership information kept by the legal entities and registered with the central register is always accurate, adequate and up to date. There is a recommendation on monitoring the implementation of the amended AML Law of 2023 and the newly issued Beneficial Ownership Guidance to ensure their effectiveness in practice. Moldova is also recommended to ensure that ownership information on foreign companies, foreign partnerships and co-operatives is always available in Moldova; and to ensure that nominees acting as the legal owners on behalf of any other persons disclose their nominee status and make identity information on the nominators available.
13. In respect of maintenance of accounting records with underlying documentation, Moldova is recommended to ensure that reliable accounting records and underlying documentation for fiducia and foreign trusts which have Moldovan resident trustees or are administered in Moldova are kept in all cases.

14. Regarding the practical implementation, the key recommendations made were related to the practical implementation of ensuring the availability of accounting information. Although the tax authority had taken sufficient supervision actions to ensure the availability of accounting information, there is a lack of robust enforcement to non-compliance identified. There is also a recommendation to put in place mechanisms and a comprehensive and effective supervision and enforcement programme to ensure the availability of accurate, adequate and up-to-date beneficial ownership information of all relevant legal entities and legal arrangements in line with the standard.

**Exchange of information on request**

15. Moldova can exchange information on request with 152 partners, through 49 double taxation conventions and the multilateral Convention on Mutual Administrative Assistance in Tax Matters. Moldova has in place EOI mechanisms with no material deficiencies, so no in-box recommendation has been made on the EOI framework.

16. The Moldovan competent authority has all available access powers for responding to the EOI requests, and no issues are identified in their practical implementation. Moldova had sufficient resources and procedures to respond to EOI requests received from exchange partners, and in practice Moldova was able to respond to all requests received in a timely manner and no significant issues were raised by partners.

17. During the review period, Moldova received 141 EOI requests and sent 205 requests, mainly from/to jurisdictions with which Moldova has most of its economic and financial relations in the region (e.g. Belarus, Romania and Russia) but also some EU member countries (e.g. Belgium, Czech Republic and Poland). The comments received from peers for this review indicate general satisfaction with the information provided by Moldova. Moldova has relevant organisational process and resources to respond to EOI requests from exchange partners. During the review period, Moldova was able to respond to EOI requests from exchange partners in a timely manner in line with the standard, and for the less than 10% requests where it was not able to respond within 90 days, status updates were provided to the exchange partners.
Overall rating

18. Moldova receives a rating of “Compliant” for seven elements (B.1, B.2, C.1, C.2, C.3, C.4 and C.5), a rating of “Largely Compliant” for two elements (A.2 and A.3) and a rating of “Partially Compliant” for one element (A.1). In view of the ratings for each of the essential elements taking in their entirety, the overall rating for Moldova is Largely Compliant.

19. This report was approved at the Peer Review Group of the Global Forum on 19 June 2024 and was adopted by the Global Forum on 18 July 2024. A self-assessment report on the steps undertaken by Moldova to address the recommendations made in this report should be provided to the Peer Review Group in accordance with the methodology for enhanced monitoring as per the schedule laid out in Annex 2 of the methodology. The first such self-assessment report from Moldova will be expected in 2026, and thereafter, once every two years.
Summary of determinations, ratings and recommendations

<table>
<thead>
<tr>
<th>Determinations and ratings</th>
<th>Factors underlying recommendations</th>
<th>Recommendations</th>
</tr>
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<tbody>
<tr>
<td>Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities (Element A.1)</td>
<td></td>
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<tr>
<td>The legal and regulatory framework is Needs Improvement</td>
<td>Foreign companies and partnerships having sufficient nexus to Moldova are not required to maintain ownership and identity information in all circumstances.</td>
<td>Moldova is recommended to ensure that ownership and identity information of relevant foreign companies and foreign partnerships, including foreign companies and foreign partnerships that ceased to operate in Moldova, is always available in line with the standard.</td>
</tr>
<tr>
<td>Moldova takes a multi-pronged approach to ensure the availability of beneficial ownership information for relevant legal entities, including companies, partnerships, and co-operatives, through the CDD measures of the AML-obliged persons, the obligations for legal entities to keep the beneficial ownership information by themselves and the central registration of the beneficial ownership information. However, there are legal gaps identified under each of the approaches.</td>
<td>Moldova is recommended to ensure that accurate, adequate and up-to-date beneficial ownership information of legal entities including, companies, partnership and co-operatives, is available in all cases in accordance with the standard.</td>
<td></td>
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<tr>
<td>Determinations and ratings</td>
<td>Factors underlying recommendations</td>
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<td>For the CDD measures of the AML-obliged persons, not all legal entities are required to engage an AML-obliged person in Moldova, therefore the AML-obliged persons may not hold beneficial ownership information of all legal entities. There is also a lack of specified frequency for some AML-obliged persons to update the beneficial ownership information of legal entities after the initial CDD measures. Article 14 of the AML Law requires legal entities to maintain their beneficial ownership information since 2017, and to register their beneficial ownership information with the central register by 31 December 2024. Relevant implementation mechanisms are still being developed by the Moldovan authorities, including those on the validation of the data received from the legal entities and the discrepancy reporting of the reporting entities to the central register. In addition, Moldova’s legal framework does not provide for guidance on how and when legal entities would identify the changes of the beneficial owners, especially when the legal owners do not change, as there are no obligations on the beneficial owners themselves to keep the legal entities informed of their status. Considering the gaps under each of the three approaches under the legal framework of Moldova, the beneficial ownership information of all legal entities may not be available in all cases as required by the standard.</td>
<td></td>
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<tr>
<td>Determinations and ratings</td>
<td>Factors underlying recommendations</td>
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<td></td>
<td>There is a lack of clarity on the direct obligations for production co-operatives to maintain the identity and legal ownership information, and a lack of requirements on the retention period of such information for all types of co-operatives.</td>
<td>Moldova is recommended to ensure that identity and legal ownership information of all co-operatives, including co-operatives that ceased to exist, is always required to be available in line with the standard.</td>
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<td></td>
<td>There are no requirements for nominees to disclose the nominee arrangement and the information of the nominators in Moldova. Without this disclosure, the legal entity would not know whether the shareholder is a nominee, and this can prevent it from maintaining and reporting accurate information.</td>
<td>Moldova is recommended to ensure that nominees acting as the legal owners on behalf of any other persons disclose their nominee status and ensure that the identity information on the nominators is available to the company, in line with the standard.</td>
</tr>
<tr>
<td>Practical Implementation of the Standard: Partially Compliant</td>
<td>The definition of beneficial owners for legal persons in the AML Law and the related binding guidance cover all elements of the requirements of the standard. However, as the amended AML Law came into force in July 2023 and the Beneficial Ownership Guidance was issued in November 2023, after the review period, their effectiveness could not be assessed.</td>
<td>Moldova is recommended to monitor the implementation of the amended AML Law and the newly issued Beneficial Ownership Guidance to ensure their effectiveness in practice.</td>
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<tr>
<td>Determinations and ratings</td>
<td>Factors underlying recommendations</td>
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<td>While there seemed to be sufficient supervision and enforcement actions taken by the Moldovan authorities during the review period to the AML-obliged persons that are financial institutions, there is a lack of oversight and enforcement actions from the supervisory authorities towards the AML-obliged persons that are non-financial institutions, which causes concerns on the availability of beneficial ownership with the AML-obliged persons of all relevant legal entities and arrangements including companies, partnerships, co-operatives, fiducia and foreign trusts in Moldova. There are also no supervision and enforcement actions taken to the legal entities to ensure they are compliant with the legal requirements of the AML Law to keep the beneficial ownership information by themselves, due to lack of sanctions rules in the legal framework. As for the central registration of beneficial ownership information, since the deadline for legal entities to complete the registration is 31 December 2024, no supervision and enforcement actions have been taken by the Moldovan authorities in this regard. Gaps identified in the above regarding the practical implementation of the three approaches cause concerns on the unavailability of beneficial ownership information of all relevant legal entities and arrangements in Moldova.</td>
<td>Moldova is recommended to put in place mechanisms and a comprehensive and effective supervision and enforcement programme to ensure the availability of accurate, adequate and up-to-date beneficial ownership information of all relevant legal entities and legal arrangements including companies, partnerships, co-operatives, fiducia and foreign trusts in line with the standard.</td>
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<tr>
<td>Determinations and ratings</td>
<td>Factors underlying recommendations</td>
<td>Recommendations</td>
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<tr>
<td>Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements (Element A.2)</td>
<td>Moldovan legislation does not clearly ensure that reliable accounting records and underlying documentation are kept for fiducia and foreign trusts, which have Moldovan resident trustees or are administered in Moldova in all cases.</td>
<td>Moldova is recommended to ensure that reliable accounting records and underlying documentation for fiducia and foreign trusts which have Moldovan resident trustees or are administered in Moldova are kept in all cases for at least 5 years in line with the standard.</td>
</tr>
<tr>
<td>The legal and regulatory framework is: Needs Improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Practical implementation of the Standard: Largely Compliant</td>
<td>While the supervision actions taken by the State Tax Service during the review period are robust and sufficient, they do not result in strong and effective sanctions for the non-compliances identified. The National Statistics Bureau, as the authority in charge of the supervision on submission of financial statements of legal entities, had not taken any actions to monitor the compliance as such. There is also a lack of sufficient supervision activities taken to companies that cease to exist to ensure their accounting information is available.</td>
<td>Moldova is recommended to strengthen its enforcement measures to non-compliant entities and arrangements to ensure that reliable accounting records of all relevant entities and arrangements are always available in line with the standard, including those that cease to exist.</td>
</tr>
<tr>
<td>Banking information and beneficial ownership information should be available for all account-holders (Element A.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The legal and regulatory framework is: In Place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Determinations and ratings</td>
<td>Factors underlying recommendations</td>
<td>Recommendations</td>
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<tr>
<td>----------------------------</td>
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</tr>
<tr>
<td><strong>Practical implementation of the Standard:</strong></td>
<td>The definition of beneficial owners for legal persons and legal arrangements in the AML Law and the related binding guidance cover all elements of the requirements of the standard. However, as the amended AML Law came into force in July 2023 and the Beneficial Ownership Guidance was issued in November 2023, after the review period, their effectiveness could not be assessed.</td>
<td>Moldova is recommended to monitor the implementation of the amended AML Law and the newly issued Beneficial Ownership Guidance to ensure their effectiveness in practice.</td>
</tr>
<tr>
<td><strong>Largely Compliant</strong></td>
<td></td>
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<tr>
<td><strong>Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information) (Element B.1)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The legal and regulatory framework is:</strong></td>
<td>Although Moldova informed that legal professional privilege has never been an impediment in obtaining information, Moldova’s legal professional privilege is broadly defined compared to the standard as it covers all information obtained by a lawyer for the purpose of providing legal assistance or notary acting in his/her professional capacity, rather than being restricted to communications produced for the purposes of seeking or providing legal advice or use in existing or contemplated proceedings and there are no express exceptions in the case of requests made under an EOI agreement.</td>
<td>Moldova is recommended to ensure that the scope of legal professional privilege is in line with the standard.</td>
</tr>
<tr>
<td><strong>In Place</strong></td>
<td></td>
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<tr>
<td><strong>Practical implementation of the Standard:</strong></td>
<td>The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information (Element B.2)</td>
<td></td>
</tr>
<tr>
<td>Determinations and ratings</td>
<td>Factors underlying recommendations</td>
<td>Recommendations</td>
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<tr>
<td><strong>Exchange of information mechanisms should provide for effective exchange of information (Element C.1)</strong></td>
<td></td>
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<tr>
<td><strong>The legal and regulatory framework is:</strong></td>
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<td><strong>In Place</strong></td>
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<tr>
<td><strong>Practical implementation of the Standard:</strong></td>
<td></td>
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<tr>
<td><strong>Compliant</strong></td>
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<tr>
<td><strong>The jurisdictions’ network of information exchange mechanisms should cover all relevant partners (Element C.2)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The legal and regulatory framework is:</strong></td>
<td></td>
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<tr>
<td><strong>In Place</strong></td>
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<tr>
<td><strong>Practical implementation of the Standard:</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Compliant</strong></td>
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<tr>
<td><strong>The jurisdictions’ mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received (Element C.3)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>The legal and regulatory framework is:</strong></td>
<td></td>
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<tr>
<td><strong>In Place</strong></td>
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<tr>
<td><strong>Practical implementation of the Standard:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Compliant</strong></td>
<td></td>
<td></td>
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</tbody>
</table>
### Determinations and ratings

| The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties (Element C.4) |
| Factors underlying recommendations | The legal and regulatory framework is: In Place |
| **The legal and regulatory framework is:** In Place | Although Moldova informed that legal professional privilege has never been an impediment in obtaining the information, the information held by lawyers and notaries subject to legal professional privilege is wider than the scope accepted under the standard. |
| **Practical implementation of the Standard:** Compliant | Moldova is recommended to ensure that the scope of legal professional privilege is in line with the standard. |

| The jurisdiction should request and provide information under its network of agreements in an effective manner (Element C.5) |
| Legal and regulatory framework: | This element involves issues of practice. Accordingly, no determination on the legal and regulatory framework has been made. |
| **Practical implementation of the Standard:** Compliant | |

PEER REVIEW REPORT – SECOND ROUND, COMBINED REVIEW – MOLDOVA © OECD 2024
Overview of Moldova

20. This overview provides some basic information about Moldova that serves as context for understanding the analysis in the main body of the report.

21. Moldova (officially the Republic of Moldova) is situated in Eastern Europe, bordered by Romania and Ukraine. Moldova covers 33,846 km², and has a population of 2.53 million (December 2022). Its capital city is Chisinau, which is also the largest city in Moldova. The official language of Moldova is Romanian, and the official currency is Moldovan Leu (MDL).¹

22. Moldova’s Gross Domestic Product (GDP) is EUR 13.7 billion (the latest figure for 2022). The main trading partners of Moldova include Romania, Russia, Ukraine and Germany.

Legal system

23. Moldova is a parliamentary democracy with multi-party elections. The Constitution of Moldova provides for a clear separation of legislative, executive and judicial powers. The legislative authority is vested in a unicameral Parliament with members elected by popular vote on party lists every four years. The executive branch is headed by the Prime Minister, who is appointed by the President, the head of the state. A cabinet of ministers is assembled by the Prime Minister. Appointments of the Prime Minister and the cabinet members have to be approved by the Parliament.

24. The judicial branch entails the Supreme Court of Justice, Court of Appeal, and courts of law. There are also specified courts that deal with related specific cases under the laws. For instance, disputes between the taxpayers and the tax authorities are within the jurisdiction of special courts that deal with administrative litigations. The Supreme Court of Justice is the highest court that ensures the correct and unified application of the legislation in all courts of law. The Court of Appeal is the highest instance with regards to the examination of appealed cases, including criminal and civil cases.

¹ Exchange rate – approx. 1 EUR = 19 MDL.
25. Moldova is a unitary state divided into villages, towns, districts and the autonomous territorial unit of Gagauzia, as well as the Transnistria region, a strip of land between the Dniester River and the eastern Moldovan border with Ukraine, which is not controlled by the Moldovan government. Certain towns are declared as municipalities under relevant laws. Moldova is a civil law jurisdiction with mixed Germanic features, and it was influenced by the Soviet Union’s norms during the Soviet times. Since the 1990s, the legal system of Moldova has been reformed to harmonise its legal traditions and the European legal models. Laws in Moldova are structured hierarchically; under the Constitution, there are codes passed by the Parliament, and then regulations and other executive laws issued by the government. According to Article 4 of the Tax Code, where an international treaty, which Moldova is a party to, stipulates other rules and provisions than those in the domestic tax legislations, the related rules and provisions in the treaty shall prevail.

**Tax system**

26. The main tax legislations in Moldova are the Tax Code, Laws on the implementation of the Tax Code, and the complementary tax norms of other acts. At the national level, taxes levied in Moldova include mainly income tax (including corporate income tax and individual income tax), value added tax (VAT), excise duties, wealth tax, and private tax. At the local-government level real estate tax, natural resources tax, and local taxes are levied. An individual is deemed to be a Moldovan tax resident if the individual has a permanent domicile in Moldova or spends more than 183 days in Moldova in the fiscal year concerned. A legal person is resident in Moldova if it is established or managed in Moldova. Tax residents in Moldova are taxed on their worldwide income.

27. The corporate income tax is based on the profit of the accounting period calculated in the financial records, and the income tax adjustments of the incomes and expenses for fiscal purposes. The corporate income tax rate is 12%. Income tax paid by Moldovan residents in a foreign jurisdiction

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2. Company laws and AML laws are equally applicable in Gagauzia. General tax rules in the Tax Code apply in Gagauzia, except for certain taxes set at a fixed amount, e.g. land tax, real estate tax, in which case, the Local Law of the People’s Assembly of Gagauzia on Fixed Taxation (No. 46 XX/II of 17 July 2001) will apply.

3. Wealth tax is applied to the taxpayer’s properties in the form of residential real estate, including holiday homes (excluding lands), if they meet the conditions specified in the law.

4. Private tax is imposed on transactions with public properties (including shares) in the course of privatisation. It is paid before the signing of the sales contracts.
on foreign sourced incomes may be credited against the amount of income tax assessed in Moldova. The individual income tax is levied at a flat rate of 12% with a yearly updated personal allowance. Dividends paid to a non-resident are subject to a 6% withholding tax, and interest and royalties paid to non-residents are subject to 12% withholding tax, unless the rates are reduced under an applicable treaty. There is no specific transfer pricing legislation in Moldova, although the Tax Code provides that the arm’s length principle should be applied to transactions with related parties. VAT is imposed on sales on supply of goods, the provision of services and the import of goods and services into Moldova. The standard VAT rate is 20% with a reduced rate to 8%. Registration for VAT purposes is mandatory for businesses carrying out taxable supplies and imports VAT taxable services above MDL 1.2 million (EUR 63 173) during 12 consecutive months.

28. The Tax Administration – the State Tax Service (STS) – is an administrative organisation within the competency of the Ministry of Finance. Its main responsibility is to administer taxes, fees and other payments under the laws of Moldova. It includes the delegated and operational competent authority in charge of exchanging information for tax purposes. The unit responsible for the exchange of information is the International Co-operation and Exchange of Information Unit within the Organisation and Monitoring of Policy Implementation Department of the STS. Moldova has signed 49 double taxation conventions and the multilateral Convention on Mutual Administrative Assistance in Tax Matters (Multilateral Convention) that allow it to exchange information on request for tax purposes.

Financial services sector

29. Moldova’s financial market is under development and its integration to the global financial market is limited. There is no international financial sector in Moldova. Moldova’s financial sector comprises currency and payment systems, financial markets, financial institutions and the related regulators. The banking sector dominates the financial sector, with a share of 86.7% of the total assets held by all financial institutions in Moldova. As of December 2022, the total banking assets amounted to MDL 131.4 billion (EUR 6.92 billion), 48.2% of Moldova’s GDP in 2022. There were 11 banks (comprised of 2 local banks and 9 European banks), and 9 non-bank payment service providers, including 2 payment institutions, 1 postal operator that provides payment services and 6 electronic money institutions. The regulator of the banking sector is the National Bank of Moldova (NBM), which regulates, licenses and supervises the activities of the banks.5 As

of 31 December 2022, there were 401 foreign exchange offices that are licensed by the NBM for carrying out currency exchange activity in cash with individuals. The NBM supervises the foreign exchange entities on their compliance with the foreign exchange regulations.

30. The non-banking sector of financial institutions in Moldova comprises (as of December 2022), 1 market operator, 15 investment companies, 7 registry companies, 5 persons authorised in the field of stock valuation, 162 non-banking financial institutions (i.e. non-bank credit organisations), 1 central national association of savings and loan association, 221 savings and loan associations, 10 insurance/reinsurance companies, 47 insurance or reinsurance intermediaries, and 4 credit bureaus. As of December 2022, the total assets in the non-banking sector accounted to 6.27% of the GDP in Moldova. Those financial institutions in the non-banking sector were all regulated and supervised by the National Commission for Financial Market (NCFM), an autonomous public authority, accountable to the Parliament. From 1 July 2023, the duties of supervising and regulating non-bank lending organisations, savings and loan associations and insurance companies have been transferred to the NBM.

Anti-Money Laundering Framework

31. The AML legal framework in Moldova comprises primarily Law No. 308/2017 on Prevention and Combating Money Laundering and Terrorism Financing (AML Law), complemented by regulations, recommendations, government decisions and orders. The Office for Prevention and Fight against Money Laundering (OPFML), which is the specialised AML authority with Financial Intelligence Unit functions, has also published official guidelines on the implementation of the AML laws and regulations in Moldova, including the binding Guidance on Identification of the Beneficial Owner (Order No. 36 of 23 August 2018).

32. The fifth round mutual evaluation of Moldova’s compliance with the international standard on Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) was conducted by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) in October 2018. In the report published by the MONEYVAL in July 2019, Moldova received the rating of “Partially Compliant” on the Financial Action Task Force ( FATF) Recommendation 10 on customer due diligence (CDD) of financial institutions and "Largely Compliant" on the FATF Recommendation 22 for CDD of non-financial

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businesses and professions. Recommendation 11 for record keeping and Recommendation 17 for reliance on third parties are rated “Largely Compliant”. Recommendation 24 for transparency and beneficial ownership of legal persons and Recommendation 25 for transparency and beneficial ownership of legal arrangements were rated “Partially Compliant” as there was a material deficiency identified. Under Recommendation 24, it was unclear what mechanisms are used in Moldova to prevent the misuse of nominee directors, and the Public Service Agency (PSA), which is the registrar in Moldova in charge of the registration of beneficial ownership information of legal persons, does not have sanctions power for violations. As for Recommendation 25, the highlighted gap was that even though Moldova’s legal framework does not recognise express trusts or similar legal arrangements, there was no legal prohibition on resident persons to act as trustees of trusts established under foreign laws, and there was no obligation on trustees to disclose their status to the AML-obliged persons. Those issues are also analysed in this report, under Element A.1.4.

33. Following the fifth round of MONEYVAL evaluation, Moldova has taken actions to address the gaps identified. Moldova has approved the National Strategy for prevention and combating money laundering and financing of terrorism for the years 2020-25 and the Action Plan for its implementation (Parliament Decision No. 239/2020). Moldova has also published the amended Regulation on Requirements for Prevention and Combating Money Laundering and Terrorist Financing in the Activity of Banks (No. 200 of 9 August 2018) (AML Regulation for Banks). In the MONEYVAL’s Follow-up Report for Moldova in 2022, Recommendation 10 was upgraded to “Largely Compliant”. To further address remaining legal gaps, including those related to the definition of beneficial owners, amendments to the AML Law were passed on 30 March 2023 and came into force on 1 July 2023. Following the amendment of the AML Law, the OPFML also issued a new Guidance for the Identification of the Beneficial Owners (Order No. 34 of 28 November 2023) (BO Guidance), which replaced the previous guidance under Order No. 36 of 23 August 2018.

Recent developments

34. Following the amendment of the AML Law in 2023, from September 2023, the PSA and the STS have started implementing the centralised BO registration under Article 14 of the AML Law, with detailed procedural requirements being developed. For this purpose, the PSA

issued Instructions regarding the Verification, Registration and Updating of Data about the Beneficial Owners of Legal Entities (Profit-making and Non-commercial Organisations) and Individual Entrepreneurs/Peasant (farmers) Households in the State Register of Legal Entities (Order No. 573 of 4 September 2023) (PSA Instructions on BO Registration), setting out the new model forms for submitting BO information for different legal entities.
Part A: Availability of information

35. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of banking information.

A.1. Legal and beneficial ownership and identity information

| Jurisdictions should ensure that legal and beneficial ownership and identity information for all relevant entities and arrangements is available to their competent authorities. |

36. The Moldovan legal and regulatory framework requires that legal ownership information of relevant entities and arrangements be available in accordance with the standard, mainly through the state registration laws. However, certain aspects need improvement, including the lack of requirements for the availability of the legal ownership information of foreign companies and partnerships that have a nexus in Moldova, and a concern on the retention period for keeping the identity and ownership information of co-operatives.

37. With regard to the practical implementation of keeping legal ownership and identity information, Moldova relies on the self-enforcing effect of the registration of companies and their shareholders. In Moldova, companies including both LLCs and JSCs must register with the Public Service Agency (PSA) to obtain the legal personality and the registration numbers. In addition, recognition of legal rights of shareholders is also based on the registration of the shareholders with the PSA in the case of LLCs and the registry companies or Single Central Depositary of Securities (SCDS) in the case of JSCs.

38. During the review period, Moldova had taken a multi-pronged approach to ensure the availability of the beneficial ownership information in Moldova, through the CDD measures of the AML-obliged persons and the requirements for legal entities and arrangements to maintain such information by themselves and to report it to a central register.
39. Under Article 14 of the AML Law, all legal entities and arrangements, including companies, partnerships, trusts and co-operatives, are required to keep their beneficial ownership information. However, there is a lack of essential elements in such legal requirement for the correct implementation by legal entities and arrangements, and there is also a lack of relevant sanction rules for non-compliances. In practice, Moldova has not taken any actions to ensure that such obligations are abided by in practice. Article 14 also requires the centralised registration of the beneficial ownership information and mandates the PSA and the State Tax Service (STS) to set out detailed rules for such centralised registration of beneficial ownership information. As confirmed by Moldova, relevant registration and operational procedures are still being implemented, thus cannot be assessed for their sufficiency in effectiveness in practice.

40. As for the AML-obliged persons, they are required to identify and maintain the beneficial ownership information of their customers through CDD measures. However, not all relevant legal entities are required to engage AML-obliged persons in Moldova, thus the beneficial ownership information may not always be available in all cases as required by the standard.

41. With regard to foreign trusts, any individuals or entities providing fiduciary services are required to identify and keep the ownership information including beneficial ownership information of their customers, including the case where they act as the trustees or administrators of foreign trusts.

42. Regarding the definition of beneficial owners, it is generally in line with the standard under the AML Law amended in 2023, containing all key elements with guidance in the application of the definition of beneficial owners for legal persons in Moldova, including “joint control”, “control by other means”. However, as the amended AML Law and the Guidance for the Identification of the Beneficial Owners (Order No. 34 of 28 November 2023) (BO Guidance) were issued after the review period, their effectiveness could not be assessed. To ensure the availability of beneficial ownership information in practice, Moldova is taking sufficient supervisory and enforcement actions on AML-obliged persons that are banks and other financial institutions. In contrast, there is a lack of oversight and enforcement actions towards AML-obliged persons that are non-financial institutions. This causes concerns on the availability of beneficial ownership information of all relevant entities and arrangements with the AML-obliged persons in practice in Moldova, especially considering that the AML Law is the only actual source of such information in Moldova during the review period, and it is not mandatory for all entities and arrangements to maintain a business relationship with an AML-obliged person.
43. Identity information, legal and beneficial ownership on legal entities and arrangements is not a type of information usually requested from the Moldovan competent authority – out of 141 requests for information received during the review period, only 1 related to legal ownership (and was provided) and none related to beneficial ownership.

44. The conclusions are as follows:

**Legal and Regulatory Framework: Needs Improvement**

<table>
<thead>
<tr>
<th>Deficiencies identified/Underlying factor</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign companies and partnerships having sufficient nexus to Moldova are not required to maintain ownership and identity information in all circumstances.</td>
<td>Moldova is recommended to ensure that ownership and identity information of relevant foreign companies and foreign partnerships, including foreign companies and foreign partnerships that ceased to operate in Moldova, is always available in line with the standard.</td>
</tr>
<tr>
<td>Moldova takes a multi-pronged approach to ensure the availability of beneficial ownership information for relevant legal entities, including companies, partnerships, and co-operatives, through the CDD measures of the AML-obliged persons, the obligations for legal entities to keep the beneficial ownership information by themselves and the central registration of the beneficial ownership information. However, there are legal gaps identified under each of the approaches. For the CDD measures of the AML-obliged persons, not all legal entities are required to engage an AML-obliged person in Moldova, therefore the AML-obliged persons may not hold beneficial ownership information of all legal entities. There is also a lack of specified frequency for some AML-obliged persons to update the beneficial ownership information of legal entities after the initial CDD measures. Article 14 of the AML Law requires legal entities to maintain their beneficial ownership information since 2017, and to register their beneficial ownership information with the central register by 31 December 2024. Relevant implementation mechanisms are still being developed by the Moldovan authorities, including those on the validation of the data received from the legal entities and</td>
<td>Moldova is recommended to ensure that accurate, adequate and up-to-date beneficial ownership information of legal entities, including companies, partnership and co-operatives, is available in all cases in accordance with the standard.</td>
</tr>
<tr>
<td>Deficiencies identified/Underlying factor</td>
<td>Recommendations</td>
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<td>--------------------------------------------------------------------------------------------------------</td>
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<tr>
<td>the discrepancy reporting of the reporting entities to the central register. In addition, Moldova’s legal framework does not provide for guidance on how and when legal entities would identify the changes of the beneficial owners, especially when the legal owners do not change, as there are no obligations on the beneficial owners themselves to keep the legal entities informed of their status. Considering the gaps under each of the three approaches under the legal framework of Moldova, the beneficial ownership information of all legal entities may not be available in all cases as required by the standard.</td>
<td>Moldova is recommended to ensure that identity and legal ownership information of all co-operatives, including co-operatives that ceased to exist, is always required to be available in line with the standard.</td>
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<tr>
<td>There is a lack of clarity on the direct obligations for production co-operatives to maintain the identity and legal ownership information, and a lack of requirements on the retention period of such information for all types of co-operatives.</td>
<td>Moldova is recommended to ensure that identity and legal ownership information of all co-operatives, including co-operatives that ceased to exist, is always required to be available in line with the standard.</td>
</tr>
<tr>
<td>There are no requirements for nominees to disclose the nominee arrangement and the information of the nominators in Moldova. Without this disclosure, the legal entity would not know whether the shareholder is a nominee, and this can prevent it from maintaining and reporting accurate information.</td>
<td>Moldova is recommended to ensure that nominees acting as the legal owners on behalf of any other persons disclose their nominee status and ensure that the identity information on the nominators is available to the company, in line with the standard.</td>
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</table>

**Practical Implementation of the Standard: Partially Compliant**

<table>
<thead>
<tr>
<th>Deficiencies identified/Underlying factor</th>
<th>Recommendations</th>
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</thead>
<tbody>
<tr>
<td>The definition of beneficial owners for legal persons in the AML Law and the related binding guidance cover all elements of the requirements of the standard. However, as the amended AML Law came into force in July 2023 and the Beneficial Ownership Guidance was issued in November 2023, after the review period, their effectiveness could not be assessed.</td>
<td>Moldova is recommended to monitor the implementation of the amended AML Law and the newly issued Beneficial Ownership Guidance to ensure their effectiveness in practice.</td>
</tr>
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</table>
### Part A: Availability of Information

<table>
<thead>
<tr>
<th>Deficiencies identified/Underlying factor</th>
<th>Recommendations</th>
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<tbody>
<tr>
<td>While there seemed to be sufficient supervision and enforcement actions taken by the Moldovan authorities during the review period to the AML-obliged persons that are financial institutions, there is a lack of oversight and enforcement actions from the supervisory authorities towards the AML-obliged persons that are non-financial institutions, which causes concerns on the availability of beneficial ownership with the AML-obliged persons of all relevant legal entities and arrangements including companies, partnerships, co-operatives, fiducia and foreign trusts in Moldova. There are also no supervision and enforcement actions taken to the legal entities to ensure they are compliant with the legal requirements of the AML Law to keep the beneficial ownership information by themselves, due to lack of sanctions rules in the legal framework. As for the central registration of beneficial ownership information, since the deadline for legal entities to complete the registration is 31 December 2024, no supervision and enforcement actions have been taken by the Moldovan authorities in this regard. Gaps identified in the above regarding the practical implementation of the three approaches cause concerns on the unavailability of beneficial ownership information of all relevant legal entities and arrangements in Moldova.</td>
<td>Moldova is recommended to put in place mechanisms and a comprehensive and effective supervision and enforcement programme to ensure the availability of accurate, adequate and up-to-date beneficial ownership information of all relevant legal entities and legal arrangements including companies, partnerships, co-operatives, fiducia and foreign trusts in line with the standard.</td>
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</table>

### A.1.1. Availability of legal and beneficial ownership information for companies

45. Moldovan law provides for the creation of two types of companies: joint stock companies (JSC) and limited liability companies (LLC). JSCs may issue securities according to regulations under the Capital Market Law and are regulated by the National Commission for the Financial Market (NCFM), but this is not allowed for the LLCs. There is no limit on the shareholders of a joint stock company, while the total number of shareholders of an LLC should not exceed 50. LLC is the most popular business form in Moldova, but unlike JSCs, their shares cannot be traded on a stock exchange. As of 31 December 2023, there were 3,220 JSCs and 108,598 LLCs registered in Moldova.

46. Foreign companies established under the laws of another jurisdiction may conduct business in Moldova through branches, representative offices or permanent establishments. There were 10,239 foreign companies registered with the PSA in Moldova as of 31 December 2022.
Legal ownership and identity information requirements

47. The legal ownership and identity information requirements for companies are mainly found in the company law, including the Law on Joint Stock Companies, No. 1134 of 2 April 1997 (Law on JSCs), the Law on Limited Liability Companies, No. 135 of 14 June 2007 (Law on LLCs) and the Civil Code. Those obligations are supplemented by the Law on State Registration of Legal Entities and Individual Entrepreneurs (Law on Registration of Legal Entities), which specifies the detailed requirements for legal entities (including companies) to register with the PSA, i.e. the State Register of Legal Entities of Moldova. The AML law is an additional source of legal ownership and identity information in Moldova under which the AML-obliged persons would keep such information of companies, where they are engaged. The tax registration and tax returns submitted to the STS do not contain the legal ownership information of companies, therefore the STS does not hold this information.

48. The following table shows a summary of the legal requirements to maintain legal ownership information in respect of companies:

<table>
<thead>
<tr>
<th>Type</th>
<th>Company law</th>
<th>Tax law</th>
<th>AML law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited liability company</td>
<td>All</td>
<td>None</td>
<td>Some</td>
</tr>
<tr>
<td>Joint stock company</td>
<td>All</td>
<td>None</td>
<td>Some</td>
</tr>
<tr>
<td>Foreign companies</td>
<td>Some</td>
<td>None</td>
<td>Some</td>
</tr>
</tbody>
</table>

Information held by the State Register

49. All JSCs and LLCs in Moldova are required to register with the PSA, which is the State Register of Legal Entities in Moldova, to obtain legal personality (Article 179 of the Civil Code).

50. Information on the founders (initial shareholders) must be provided to the State Register in accordance with the Law on Registration of Legal Entities. This information includes, for natural persons, the founders’ name, Identification Number of Person (IDNP), residence address and telephone number; and for legal persons, the founders’ Identification Number of Organisation (IDNO), date of registration, postal address, telephone, fax

9. The table shows each type of entity and whether the various rules applicable require availability of information for “all” such entities, “some” or “none”. “All” means that every entity of this type contains requirements on the availability of ownership information, whether or not the legislation meets the standard. “Some” means that an entity covered by these requirements if certain conditions are met.
and email-address (Article 33(i) of the Law on Registration of Legal Entities). Upon registration with the State Register, the company will be issued with an IDNO, which will serve for the identification of the company in the information system of the Moldovan government.

51. There are no requirements for JSCs to file annual returns to the State Register once registered. The keeping of current legal ownership information depends on the date of creation of the JSC. Since 2018, when a JSC has issued securities, its shares must be registered in the Register of Security Issuers maintained by the NCFM and be entered in the accounts opened at the Single Central Depository of Securities (SCDS) (Article 12(3) of the Law on Joint Stock Companies). This shareholder information must be kept by the SCDS for a period of 10 years. For JSCs created before 2018, the seven registry companies authorised by the NCFM to provide record-keeping services keep their records, including their register of shareholders, and should keep these for at least seven years (Article 149 of the Regulation on Licensing and Authorisation on Capital Market). As of September 2023, the SCDS keeps records of shareholders of 193 JSCs and the registry companies keep the shareholder registers of 1,233 JSCs. For JSCs that have not issued securities or failed to complete the registration or approval procedures with the NCFM, there will not be a register of shareholders at the SCDS or a registry company. Since they have not completed the full registration procedures as required for JSCs, they are not active companies and are classified as non-functional companies by the PSA in the system. Moldova confirmed that such JSCs still maintain their legal personality, and their legal ownership information (on founders) will be registered with the State Register as discussed above, and they have no subsequent legal owners since no shares have been issued. For JSCs that have issued securities, changes of shareholders are registered, but the details on each shareholder, when these details are changing (e.g. change of residential address), will not be notified to the NCFM, nor the SCDS or registry companies, unless it is linked to an increase or decrease in share capital.

52. For LLCs, where there are changes to the incorporation deed, including change of the shareholders or addition of new shareholders, the legal entity is required to submit to the State Register the amended incorporation deed within 30 days after the adoption of the decision to amend it (Article 16 of the Law on Registration of Legal Entities). The law does not require the notification to the State Register where there is a change to the shareholder’s information other than the removal or addition of shareholders.

53. Moldova should ensure that the details including residence address related to legal owners of companies (maintained by the State Register on LLCs and by the SCDS or the registry companies on JSCs) are always adequate and up to date (see Annex 1).
54. A foreign company that carries out business activities in Moldova through a permanent establishment (including a branch) or a representative office would be treated as non-resident for tax purpose under the Tax Code (Article 75 of the Tax Code), unless its place of management or main place of carrying out business activities is in Moldova, in which case such foreign company would be treated as a tax resident in Moldova (Article 5 of the Tax Code), thus having sufficient nexus to Moldova for EOIR purposes. Regardless the foreign company is treated as a non-resident or a resident in Moldova under the Tax Code, they will have to register with the State Register\(^\text{10}\) so as to obtain the IDNO for conducting business activities in Moldova. Where a foreign company having sufficient nexus to Moldova is registered with the State Register, no ownership information of the foreign companies is required to be supplied, except for identity of founders in case it is part of the provided deed of incorporation. However, identity information is provided on the person exercising management functions of the branch (Article 12(3) of the Law on Registration of Legal Entities).

55. A company ceases to exist (on its legal personality) after it has been removed from the State Register according to the deregistration rules set out in Chapter V of the Law on Registration of Legal Entities. A company can be deregistered as a result of reorganisation or liquidation (e.g. decisions by the shareholders or the court).

56. A company (LLC or JSC) will be treated as inactive by the STS if it meets five cumulative conditions:

1. Within 12 months from the date of registration or during the last 3 years, it has not submitted the tax returns provided by law, and has not carried out operations on any bank accounts.
2. It is not a founder of another legal entity or has no subsidiaries.
3. It has no debts to the national public budget.
4. It has not been registered as a VAT taxpayer.
5. It does not have cash registers with fiscal memory registered with the STS.

\(^{10}\) Documents that need to be submitted to the State Register for registration include: 1) the application for registration; 2) decision of the company to create the representative office or branch; 3) the regulation of the representative office or branch including a statement on the legislation of the state under which the foreign company was created, an extract from the foreign public register and registration number; 4) confirmation on payment of the registration fee (Article 12(3) of the Law on Registration of Legal Entities).
According to Article 26 of the Law on Registration of Legal Entities, an inactive legal entity is considered to have ceased its activities (or never started any such activity) and thus should be deregistered from the State Register. Every quarter, the Main State Tax Inspectorate of the STS sends the related data about inactive legal entities, and their status of debts to the national public budget (e.g. taxes and levies) to the PSA so as to decide on their deregistration from the State Register. Moldovan authorities noted that such analysis on whether a company meets the related conditions for initiating the deregistration process of inactive legal entities may be long, especially in the case where there is a court decision that prohibits the deregistration due to other legitimate reasons. Within three working days from the adoption of the decision to initiate the deletion procedure from the State Register, the PSA publishes on its official website and in the Official Gazette of Moldova a notice regarding the initiation of the procedure of deletion from the State Register of the inactive companies. Such notice includes the methods and deadlines (two months) for the companies concerned, creditors or any other interested persons to submit request to the PSA for suspending such procedure. Within three days from the expiry of the submission deadline, the companies concerned are struck off from the register.

The decision to initiate the deletion procedure and the decision to strike off the companies from the register is also notified to the companies concerned by the PSA via registered mails according to Article 97 of the Administrative Code. Once deregistered, the company loses its legal personality.

Within three years thereafter, any interested persons may file an action in the court for the reinstatement of the companies that have been struck off and deleted by the PSA and regaining the legal personality, according to Article 139(1) of the Civil Code. After the PSA receives the decision from the court on the restoration of a company that has been struck off, the PSA shall restore the data of the company in the register to the situation of the company before the deregistration. There are no legal requirements for companies to register the up-to-date legal ownership information upon restoration, and it is subject to the decision and requirements of the court. However, considering that the legal ownership information of the struck-off companies is maintained by the PSA on a practically permanent basis (for LLC) and with the registry companies or SCDS (for JSCs) for ten years, thus it is still available where a company is struck off but then restored within three years.

Information about companies held by the State Register is kept permanently (Article 36 of the Law on Registration of Legal Entities). For legal entities, including companies that are liquidated, the State Register will transfer the data to the state archive and related information is also kept permanently.
61. Non-compliance with the registration provisions under the Law on Registration of Legal Entities will be subject to penalties as provided in the Contravention Code. Legal entities, including companies carrying out business activities, that have not registered with the State Register or any other authorities as required by law will be sanctioned with a fine from MDL 1 500 to MDL 4 500 (EUR 79 to EUR 237). Legal entities, including companies that have failed to register any change of information, e.g. change of incorporation documents or premises, will be sanctioned with a fine from MDL 150 to MDL 450 (EUR 8 to EUR 24).

Company law implementation in practice and enforcement actions

62. The PSA maintains an online public registry – the State Register of Legal Entities, where relevant information of companies is kept and made available to the public, including information on address, registration date, the IDNO, and the shareholders’ names and percentages of shareholdings. There are no legal requirements in Moldova for companies to file annual returns to the PSA after their initial registration, which makes it difficult for the authorities to know whether LLCs have submitted the required information in case of change of legal owners.

63. The PSA is responsible for receiving, verifying and maintaining the information submitted by the companies, and the PSA stated that to obtain the legal personality, all companies will be voluntarily registered with the PSA and will also update the LLC shareholders’ information with the PSA in case of changes of shareholders so to ensure their shareholding rights are recognised by the law in Moldova, even though any other changes of the existing shareholders, e.g. changes on their identity information may not always be registered (see paragraph 53).

64. By 31 December 2023, there were 113 548 companies registered in Moldova. As mentioned above, Moldova has an established procedure for de-registering inactive companies and there were close interactions between the STS and the PSA on this matter to ensure that the non-compliant inactive companies were de-registered from the register appropriately and timely. The numbers of legal entities that were identified as inactive by the STS and sent to the PSA for de-registration and those that were deregistered by the PSA during the review period are as follows:
### Table: Number of Inactive Legal Persons

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of inactive legal persons reported by the STS to the PSA</th>
<th>Number of inactive legal persons deregistered by the PSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>15,908</td>
<td>6,083</td>
</tr>
<tr>
<td>2020</td>
<td>2,539</td>
<td>9,342</td>
</tr>
<tr>
<td>2021</td>
<td>3,551</td>
<td>3,885</td>
</tr>
<tr>
<td>2022</td>
<td>685</td>
<td>2,807</td>
</tr>
<tr>
<td>2023</td>
<td>8,488</td>
<td>3,071</td>
</tr>
<tr>
<td>Total</td>
<td>31,171</td>
<td>25,188</td>
</tr>
</tbody>
</table>

65. The numbers in both columns do not coincide because some companies reported one year may be deregistered in the following year, especially as the COVID-19 pandemic slowed down the process to some extent. This *de officio* deregistration process does not apply to all inactive companies, as a liquidation would be necessary for those still having assets, but it helps limiting the risk that they be used for illegal purposes. Moldova also confirmed that in practice it may take time for the STS to gather relevant evidence and information for conducting the deregistration process of inactive companies that meet all the conditions of being treated as inactive companies under the Law on Registration of Legal Entities. Deletion by the PSA may also take time when there is a court decision that prohibits such deletion, in which case the PSA has to wait until such prohibition is cancelled by the court.

66. Moldova reported that there were still 703 JSCs that had not registered their shareholders with the SCDS nor the registers of companies authorised by the NCFM as they were not able to launch their securities-issuing activities, thus they are seen as inactive companies with the PSA. But the PSA was not able to strike those companies off as either they had ongoing legal disputes at the courts or they were state-owned companies during the time of the former Soviet Union that were reorganised as JSCs intending to issue securities for all their employees, but the reorganisation failed due to various reasons.

### Information held by the tax authority

67. Information on companies in Moldova, including their founders’ information, is transmitted in electronic format by the State Register to the STS automatically in accordance with the Law on Registration of Legal Entities. The company’s state identification number, i.e. IDNO issued by the PSA upon registration will serve as the tax identification number of the registered entity (Article 11(2) of the Law on Registration of Legal Entities). Therefore, all companies registered with the State Register will be registered for tax purposes with the STS. There is a State Tax Register administered by the STS, which maintains the tax identification numbers and other
information, including those of the founders of companies according to the Tax Code.

68. Legal entities, including companies resident in Moldova or permanent establishments of foreign companies, are required to submit the annual income tax returns to the STS, regardless of their tax liabilities in Moldova (Article 54\(^9\)(4) and Article 83(2) (c) and (e) of the Tax Code). However, legal ownership information of companies is not included in the annual tax returns submitted to the STS.

**Information held by companies themselves**

69. JSCs are not required to keep records of their legal ownership information, and such information is maintained by the SCDS or the registry companies as discussed above.

70. According to Article 10 of the Law on LLCs, LLCs must keep incorporation documents, which include identity information of their founders. Where there is a change to the incorporation document, the updated information on the shareholders will also be kept by the LLC. But the law does not specify what identity information of the shareholders of the LLCs should be kept. For the LLCs, they should keep the register of the shareholders and the annual or quarterly financial reports for ten years at their headquarters under the Order of the State Archive Service, No. 57 of 27 July 2016 (the Order of the State Archive).

71. In case of the liquidation of an LLC, the liquidator or the managing director of the company must transmit ownership information and documents to the State Archive before the company is removed from the State Register. The State Archive will keep this information permanently.

72. There are sanction rules under the Order of the State Archive Service in cases of destruction or damage of the related documents, but there are no legal provisions regarding what sanctions will be applied to LLCs that fail to keep the register of the shareholders as required. The PSA stated that as a register, it has no power to conduct supervision and enforcement activities to the companies in this regard, and in any event the registration rules with the PSA have a self-enforcing effect since only registered shareholders will be recognised with related shareholder rights.

**Information held by AML reporting entities**

73. Legal ownership information of companies may be available with the reporting entities (AML-obliged persons) in Moldova, if companies are engaged with any of the reporting entities. As there is no obligation for companies to always have a business relationship with a reporting entity, the information will be available only to the extent such a relationship exists.
74. According to Article 5(2) of the AML Law, reporting entities such as banks, lawyers, notaries, payment service providers or audit firms are required to conduct Customer Due Diligence (CDD) to identify and verify the identity of the customers when establishing the business relations, including obtaining and verifying relevant identity information to understand the control structure of the customers. The BO Guidance further requires that for customers that are legal entities, the reporting entities should understand the ownership structure and the control structure of the client and also obtain the information on other persons or legal entities involved in the legal instrument of the legal entity or the structure of the governing bodies and their representatives (Articles 9 and 20(b) of the BO Guidance). This however may not result in knowing the full legal ownership of the customers but could provide useful information to complement or cross-check the main source of legal ownership information under the commercial registration laws in Moldova. As the AML obligations are particularly pertinent to the availability of the beneficial ownership information, they are analysed in detail in the related sections of this report.

Availability of legal ownership information in EOIR practice

75. During the review period, Moldova only received one request from exchange partners that was relevant to legal ownership information of companies. Moldova was able to fully respond to the exchange partner on this request and no issues were raised by the peers.

Conclusions

76. Moldova has a legal and regulatory framework in place to ensure that legal ownership information of companies is available. All LLCs in Moldova are required to register with the State Register and submit the founders’ information and subsequent changes of members, thus such information is available by the State Register. The legal ownership information of the JSCs is registered and maintained by the SCDS, or by the registry companies authorised by the NCFM to provide record-keeping services, for the JSCs established before the creation of the SCDS in 2018. Partial legal ownership information of both LLCs and JSCs may also be available with the AML-obliged persons, but only when they are engaged. This, to some extent supplements the availability of legal ownership information of companies under the commercial registration laws.

77. Foreign companies having sufficient nexus in Moldova, e.g. though branches or representative offices, are required to register with the State Register, but their legal ownership information is not required to be submitted. Moldova is recommended to ensure that ownership and
identity information of relevant foreign companies, including foreign companies that ceased to operate in Moldova, is always available in line with the standard.

78. As the registrar, the PSA is responsible for receiving, verifying and maintaining the identity and legal ownership information submitted by companies in Moldova. To be recognised as legal persons and obtain the INDO, companies must register their shareholders information (in the case of LLCs) or the founders information (in the case of JSCs) with the PSA. In addition, for the JSCs, their shareholders information must be registered with the registry companies or the SCDS. Registration of shareholders as such for both LLCs and JSCs ensures that the related legal rights of the shareholders to the companies are recognised by law. There are still large number of inactive companies existing in Moldova which are in the process of being struck off, however this has no consequence on the availability of the legal ownership information of companies that are LLCs, since any changes to the legal owners have already been captured in the register of the PSA. This self-enforcing effect ensures the availability of their legal ownership and identity information in Moldova. As for the JSCs that are inactive, since they are inactive due to the failure in launching the securities, in fact no shareholders exist for such type of companies, but only the founders, information of which has been registered with the PSA.

Availability of beneficial ownership information

79. The standard was strengthened in 2016 to require that beneficial ownership information be available on companies. In Moldova, the AML Law (as amended in 2023) requires that the AML-obliged persons obtain and maintain beneficial ownership information on their clients. In addition, all legal entities are required to obtain and hold adequate, accurate and up-to-date information on their beneficial owners since 2017.

80. Before the AML Law was amended in 2023, there was also a general requirement for all legal entities to submit the beneficial ownership information to the State Register, but this central registration had not been systematically implemented due to lack of detailed legal mechanisms, e.g. when and how to submit such information and which authority should be responsible for gathering such information. The amended AML Law of 2023 sets out details on the central registration requirement and mandated the PSA to develop and manage the central registration of beneficial owners of legal persons. Legal persons are required to register or update the beneficial ownership information with the PSA by 31 December 2024.
**Companies covered by legislation regulating beneficial ownership information**

<table>
<thead>
<tr>
<th>Type</th>
<th>Company law</th>
<th>Tax law</th>
<th>AML law/companies</th>
<th>AML law/CDD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited liability company</td>
<td>None</td>
<td>None</td>
<td>All</td>
<td>Some</td>
</tr>
<tr>
<td>Joint stock company</td>
<td>None</td>
<td>None</td>
<td>All</td>
<td>Some</td>
</tr>
<tr>
<td>Foreign companies</td>
<td>None</td>
<td>None</td>
<td>Some</td>
<td>All¹¹</td>
</tr>
</tbody>
</table>

**Definition of beneficial owner**

81. The definition of beneficial owner of legal entities has been revised in the amended AML Law of 2023, which applies to both AML reporting entities, and companies themselves for maintaining such information and register it with the PSA. A beneficial owner is:

   “any natural person who ultimately owns or controls the client and/or the natural person on whose behalf or in whose interest an activity or transaction is carried out, directly or indirectly” (Article 5²(2) of the AML Law)

82. Article 5²(2) of the AML Law further specifies that in the case of legal entities with profit (commercial purpose), including companies or partnerships, the beneficial owner refers to:

   a) the natural person(s) who ultimately owns or controls a legal person, other than a company listed on a regulated market, which is subject to disclosure requirements in accordance with equivalent international standards ensuring appropriate transparency of information on the exercise of ownership, through the direct or indirect exercise of ownership of a share in the number of shares or from voting rights or through participation in the share capital of that legal person, or through the exercise of control by other means.

   The ownership by an individual of 25% plus a share or its participation in the share capital of a legal person with more than 25% is a criterion of direct exercise of ownership.

   The ownership of 25% plus a share by another legal person that is under the control of a natural person or by several legal

¹¹ Where a foreign company has a sufficient nexus to the assessed jurisdiction, then the availability of beneficial ownership information is required to the extent the company has a relationship with an AML-obligated service provider that is relevant for the purposes of EOIR. (Terms of Reference A.1.1, Footnote 9).
entities that are under the control of the same natural person or his/her participation in the share capital of a legal person by more than 25% is a criterion of indirect exercise of ownership.

b) The natural person who holds the position of administrator of the client, if, after exhausting all possible means and provided that there are no grounds for suspicion, no person is identified as beneficial owner. Reporting entities should keep records of the measures taken to identify the beneficial owners for each client and submit them, upon request, to the Office for Prevention and Fight against Money Laundering and/or the authorities with supervision functions of the reporting entities.

83. The definition of beneficial owner under the AML Law includes the natural person that ultimately owns or controls (directly or indirectly) an individual or a legal person. The AML-obliged persons should identify the natural persons that ultimately control the legal persons through “ownership of interest” and simultaneously identify those that control the legal persons through “other means”. The AML-obliged persons from the private sector met during the onsite visit expressed a good understanding of such requirements to simultaneously apply the control through both “ownership of interest” and “other means”.

84. The BO Guidance of November 2023 further clarifies control through “other means” to include the right to appoint the governing bodies of the legal entity (e.g. management position, executive bodies, boards of auditors, branch managers or other forms of management); exercise of control through claims or other financial arrangements with the legal entity (Paragraphs 13(b) and (c) of the BO Guidance). Natural persons exercising controls by other informal means may also be considered as the beneficial owners of a legal entity, e.g. through social relationships, or kinship relationships with another shareholder of a legal person (Paragraph 13(e) of the BO Guidance). In addition, the BO Guidance also requires to identity the links or relationships of different natural persons that have joint control or influence over the legal entity (Paragraph 40 of the BO Guidance).

85. If no beneficial owners are identified, the persons that hold the position of administrators, i.e. natural persons who are strategic decision-makers and act on the company’s behalf in relationships with third parties according to Article 61(1)(2) of the Civil Code, are then identified as default beneficial owners. Moldova confirmed that the administrators are considered as the natural persons who hold the position of senior manager roles under the standard in Moldova, and this was also confirmed to be the case in practice to the assessment team during the onsite visit. Paragraph 14(d) of the BO Guidance further clarified that such administrators or persons holding other management positions are natural persons exercising decisive control.
over the legal persons, responsible for taking strategic decisions which essentially affect business relations or the direction of the development of the entities.

**CDD requirements of reporting entities**

86. In Moldova, it is not mandatory for companies to engage an AML-obliged person, even though the Moldovan authorities indicated that in practice the companies usually hold bank accounts with the banks in Moldova. However, Moldova is not able to provide the statistics on the percentage of registered companies that have a bank account in Moldova. This means that the beneficial ownership information of all companies may not always be available with the reporting entities.

87. A reporting entity (such as a bank, lawyer, notary, payment service provider or audit firm) is required to identify the beneficial owners of the client as part of the CDD procedure before establishing the business relationship (Article 5(2)(b) of the AML Law).

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12. According to Article 4 of the AML Law, reporting entities refer to a) banks; b) foreign exchange entities (other than banks); c) investment firms; d) registry companies, the Single Central Securities Depositary; e) insurers or reinsurers and insurance and/or reinsurance intermediaries carrying out business within the limits of life insurance classes, including those with participation in investments; f) administrators of optional pension funds, assets management companies; g) non-bank lending organisations, savings and loan associations; h) real estate agents; i) payment institutions, electronic money institutions and postal service providers; j) lawyers, notaries, authorised administrators, bailiffs and other freelancers, when assisting in drawing up or executing transactions for their clients concerning the purchase or sale of immovable property, shares or shares or elements of goodwill, the administration of financial instruments, securities or other assets of clients, operations or transactions involving an amount of money or a transfer of ownership, setting up or managing bank accounts, savings or financial instruments, organising the subscription process for the contributions necessary for the establishment, operation or management of a company, for the establishment, management or management of such companies, undertakings for collective investment in transferable securities or other similar structures and where they participate, on behalf of or for their clients, in any operation of a financial nature or concerning immovable property, the creation, operation or administration of trusts, companies, foundations, or similar structures; k) organisers of gambling; l) auditors, legal entities and individual entrepreneurs who provide, as the main economic or professional activity, accounting and tax consultancy services; m) other natural and legal persons selling goods (including natural and legal persons practicing activities with precious metals and precious stones); n) natural/legal persons carrying out fiduciary activities other than those referred to in letters f) and j); o) persons storing, trading works of art or acting as intermediaries in the trade of works of art; and p) crowdfunding service providers.
88. In establishing the identity of the beneficial owners, the reporting entities are required to gather related information from at least three sources, including from the customer, from the public registers (e.g. the PSA and the STS), and from any other independent sources (Paragraph 17 of the BO Guidance). They must collect the following identity information of the beneficial owners (Paragraph 19 of the BO Guidance):

- surname, forename, nationality/citizenship and date and place of birth of the natural person
- state identification number or where applicable, other similar unique identifier including type, number, date and issuing authority of the identity document; place of residence; and tax identification number.

89. The BO Guidance also sets out rules to help the AML-obliged persons establishing procedures for identifying, documenting, verifying, analysing and updating the beneficial ownership information as required under the AML Law. Reasonable, appropriate and risk-based measures must be taken to identify the beneficial owners, including by understanding the ownership structure and the control structure of the customer. AML-obliged persons are required to apply precautionary measures that correspond to the principles set out in the AML Law to verify the identity of the beneficial owners after the establishment of the business relationship against other available data sources, and it must be carried out as soon as possible, but no later than one month after the establishment of the initial engagement (in the case of simplified CDD) where it is necessary in order not to interrupt the normal business practices and the AML related risks are effectively managed (Paragraphs 22 and 23 of the BO Guidance). Where it is not possible to identify and verify the beneficial owners, the reporting entities are prohibited from establishing any business relationship or should terminate any existing business relationship.

90. The reporting entities must conduct on-going monitoring of the documents and information obtained during the CDD and keep them updated. In addition, where there is a change of the information submitted by the customers to the reporting entities, the customers should notify the reporting entities of such change immediately (Article 5(5)(d) of the AML Law). Reporting entities that are banks and non-bank payment service providers regulated by the NBM are required to update the information whenever they deem necessary, considering relevant factors, but at least annually for high-risk customers by the factors generated according to Article 8(3) of the AML Law (e.g. the customers are resident in high risk jurisdictions listed by the authority and activities frequently involving cash in considerable proportions), every 2 years for medium-risk customers, and every 3 years for low-risk customers (Article 39 of the AML Regulations for Banks). Similarly, reporting entities that are non-banking entities regulated by the NCFM must
update the information whenever necessary, but at least annually for high-risk customers and every 3 years for low-risk customers (Paragraph 21 of the NCFM Regulation No. 38/1/2018 on prevention and combatting money laundering and terrorist financing on the non-banking financial market). For reporting entities that are not regulated by the NBM and NCFM, there are not similar frequency rules to update the CDD information. On the other hand, the BO Guidance also sets out a general requirement for all reporting entities (whether or not regulated by the NBM or the NCFM) to ensure that the information of beneficial owners is updated, subject to the risk level of the customer, and the way how the risk is managed by the reporting entities (e.g. how to allocate the risk levels to different customers) (Paragraph 30 of the BO Guidance). During the onsite visit, representatives from the banking sector seemed to have good understanding of the requirements to update the CDD information including the beneficial ownership information as required, but for those AML-obliged persons that are not regulated by the NBM, it is unclear how such requirements are implemented.

91. The reporting entities may apply a simplified CDD if by nature the customers have a low risk of money laundering or terrorism financing (Article 7 of the AML Law). Simplified CDD includes: 1) verification of the identity of the customer and of beneficial owner after the establishment of business relationship (as soon as possible, but no later than 1 month after the initial contact has been established); 2) reduction of the frequency to update the identification data (see previous paragraph); 3) reduction of the level of on-going monitoring of transaction or business relationship; and 4) limitation (i.e. lower requirements) in obtaining the information regarding the purpose and nature of the business relationship.

92. For high-risk customers, the reporting entities are required to apply the enhanced CDD measures (Article 8 of the AML law). This includes obtaining additional information about the customer and beneficial owners (e.g. type of activity, volume of assets, turnover) and more frequent monitoring of the customer’s information (see above).

93. Reporting entities are allowed to rely on information identified and held by third parties in order to comply with the CDD requirements (Article 10 of the AML Law), even though in practice they very rarely do so.

13. The reporting entities should on the basis of their own assessment, determine the factors generating the low risk of money laundering and terrorism financing and to determine the necessity of application of simplified CDD measures. Examples of the factors to consider include if 1) the customer is a public authority or state enterprise; 2) the customer is a company listed in a regulated market; 3) the customer is resident in a jurisdiction that meet the international standard on AML; (…) 6) the financial products and services are limited and well defined for a circle of customers, with the aim to increase the financial inclusion, etc. (Article 7(3) of the AML Law).
as confirmed by Moldova. However there are certain conditions to be met, specifically 1) the reporting entities have the possibility to obtain immediately necessary information related to the specified CDD measures owned by third parties; 2) reporting entities must adopt and implement efficient procedures to ensure that they immediately obtain from the third party all the information related to the CDD measures, as well as copies of identification data and other documents related to these CDD measures; 3) third parties are adequately supervised and meet requirements similar to the provisions of the AML Law in Moldova; including CDD and record-keeping measures; and 4) third parties are not resident in high risk jurisdictions. The final responsibility for the implementation of the CDD measures still rests with the reporting entities in Moldova.

94. Beneficial ownership information including all documents and information necessary for the identification of beneficial owners must be kept by the reporting entities for a period of five years after the termination of the business relationship with the clients (Article 9(2) of the AML Law). Such retention period may be extended for a period of less than five additional years as per request from the OPFML or the authorities with supervision functions of the reporting entities (Article 9(2¹) of the AML Law). For AML-obliged persons that ceased to exist, Moldova confirmed that relevant documents kept by the AML-obliged persons would be transferred to the new AML-obliged persons that take over the business of the deceased or liquidated AML-obliged persons. Where there are no persons taking over the business and the clients of an AML-obliged person that ceased to exist, such documents should be transmitted to the State Archive (Section 3.7 of the State Archive Service Order No. 57/2016).

95. A reporting entity that fails to comply with the AML Law is subject to disciplinary, pecuniary, criminal or other types of liabilities, including public statement in mass media, warning, withdrawal or suspension of authorisation or licence, temporary ban to hold management positions (to individuals) in the reporting entities. Pecuniary sanctions in the form of fine will be in twice amount of the value of the benefit derived from the breach of the obligations imposed under the AML Law (where the respective benefit can be determined) or in the amount of the equivalent in MDL of the sum of EUR 1 000 000. For banks, savings and loan associations, payment service providers or e-money issuers that are reporting entities, the fine would be in the amount up to the equivalent in MDL of the sum of EUR 5 000 000 or 10% of the turnover for the previous year (Article 35 of the AML Law).

Supervision and enforcement measures

96. With regard to supervision and enforcement on the obligations of the AML-obliged persons in maintaining the beneficial ownership information, different bodies are empowered with the oversight functions under the AML legal framework, including the NBM, the NCFM, the Notary Chamber, the Union of Lawyers, the Union of Authorised Administrators, the Public Audit Oversight Board and the OPFML (Article 15 of the AML Law). However, only the NBM, the NCFM and the OPFML have the power to impose sanctions for breach of the AML Law by the AML-obliged persons as set out in Article 3 of the Law No. 75/2020 on AML/TF Infringements Detection Procedure and Means of Sanctions’ Application (Law on AML Sanctions), which is the law to set out the procedures for the authorities to follow in conducting compliance verifications to AML-obliged persons and imposing sanctions under the AML Law. The OPFML, as the co-ordination body for conducting controls to AML-obliged persons, is expected to provide guidance to other supervisory bodies on how to conduct AML related controls. Such co-ordination and guidance have only been conducted with the main financial regulators, i.e. the NBM and the NCFM, but not yet with any other supervising bodies. Compliance controls are generally conducted through off-site or on-site inspections to the AML-obliged persons, with detailed procedures as specified in Chapter II of the Law on AML Sanctions.

97. In Moldova, the NBM is responsible for supervising the banking sector, which is the most significant part of the whole financial industry in Moldova, including the AML-obliged persons that are banks, foreign exchange entities, the insurance sector, non-bank lending organisations, savings and loan associations, payment institutions, electronic money institutions and postal service providers. During the review period, the NBM took various supervisory actions. Among the 11 banks in Moldova, 6 received full onsite inspections and 4 received thematic onsite inspections. There were also off-site inspections of all banks, to the records of selected customers of one single bank or multiple banks, including their CDD records and the off-site inspections. During the inspection process, the NBM would ask the AML-obliged persons to provide any copies of the CDD documents provided by the customers and analyse the compliance on applications of the CDD measures of the inspected banks, including but not limited to the correct identification of the beneficial owners as well as related record keeping requirements. Where weaknesses were identified, including failure or insufficient measures taken to conduct the CDD measures, warnings were issued or monetary penalties were imposed. During the review period, 2 banks received written warnings and 2 other banks were fined due to non-compliance issues related to conducting CDD measures. The NBM confirmed that where deficiencies were identified, including those related to the correct identification of beneficial ownership information of legal persons and record keeping obligations, the
banks concerned were required to address the issues with an action plan. By October 2023, all those identified deficiencies have been addressed after follow-up checks by the NBM. Details of the supervision actions and enforcement measures are summarised in the table below.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of full onsite inspections</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Number of thematic onsite inspections</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of off-site inspections</td>
<td>20 (to 9 banks)</td>
<td>38 (to 10 banks)</td>
<td>30 (to 9 banks)</td>
</tr>
<tr>
<td>Number of written warnings issued (due to non-compliances on CDD measures or other AML requirements)</td>
<td>5 (to 4 banks)</td>
<td>7 (to 6 banks)</td>
<td>4 (to 3 banks)</td>
</tr>
<tr>
<td>Number of banks that were fined</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Amount of fines issued to the banks</td>
<td>MDL 3 704 464 (EUR 195 019)</td>
<td>0</td>
<td>MDL 800 000 (EUR 42 116)</td>
</tr>
</tbody>
</table>

Overall, the NBM seemed to have taken sufficient supervision and enforcement actions to the AML-obliged persons in the banking sector in Moldova to ensure that relevant beneficial ownership information of legal persons, including companies, is available in Moldova. The NCFM supervises and enforces the AML obligations of AML-obliged persons that are investment societies (providing capital market investment services to clients) and shareholder registry companies and SCDS (providing service of keeping records of shareholders of JSCs). By the end of 2022, there were 14 investment societies (including seven banks), 7 registry companies and the SCDS. Various supervisory and enforcement actions were taken by the NCFM to ensure those AML-obliged persons are complying with their AML obligations. During the review period, the NCFM conducted 6 full onsite inspections, including checking the compliance of investment societies and SCDS.

The NBM has also supervised the non-banking sector under its jurisdiction. During the review period, among the 9 non-banking payment service providers, 3 onsite inspections and 4 offsite inspections were conducted by the NBM, and among 401 foreign exchange entities, 74 onsite visits were conducted. Violations of the AML rules were identified, including those related to failure to comply with the CDD measures and identify the beneficial owners. As a result, two non-banking payment service providers and one foreign exchange entity were fined, and in total 23 written warnings were issued. Moldova confirmed that as of October 2023, all identified issues were addressed by the concerned AML-obliged persons as required by the NBM.
the AML obligations. The NCFM also conducted 200 offsite inspections on average each year to the documents submitted by the AML-obliged persons for verifying their obligations to maintain the information of shareholders as well as transactions made with counterparties. The NCFM imposed one monetary penalty and issued eight written warnings.

100. Regarding the supervision and enforcement actions taken to other AML-obliged persons such as lawyers and accounting professionals, no such actions had been taken during the review period. The OPFML confirmed however that relevant co-ordination procedures are being developed, with compliance actions expected from 2024.

101. In summary, to ensure that the AML-obliged persons maintain the beneficial ownership information of their clients, the NBM and the NCFM are taking sufficient actions to supervise the AML-obliged persons in the banking sector and the capital market. However, there is a lack of supervisory and enforcement actions in other sectors, which gave rise to concerns on whether all AML-obliged persons conduct CDD measures as required so as to ensure the beneficial ownership information is maintained and available in all cases.

Obligations on companies to keep beneficial ownership information by themselves

102. In Moldova, legal entities, including companies, are required to “obtain and keep adequate, accurate and up-to-date beneficial ownership information of themselves” (Article 14 of the AML Law). This also applies to foreign companies that have branches in Moldova.

103. The law lacks essential elements to ensure its correct implementation.

104. First, the law does not provide companies with means to identify their beneficial owners when stakeholders do not co-operate, or to become aware of changes in their beneficial ownership. The law also does not specify the measures that the companies could take against the beneficial owners or the related intermediary entities to ensure the beneficial ownership information they maintain is always accurate, adequate and up to date as required.

105. Second, there are no retention period requirements to companies to keep the beneficial ownership information by themselves and there are no legal provisions for sanctioning legal entities that have not kept the beneficial ownership information as required.

106. In addition, even though the requirement has been in place since 2017, due to lack of sanctions rules and clarity on the supervision mechanism, there were no sufficient awareness campaigns or activities organised
by the Moldova authorities, until the AML Law was amended in 2023 with more detailed legal requirements on central registration of beneficial ownerships and related sanctions (discussed in the following section of the report).

107. As a result, the level of compliance with this obligation is unknown, as it is not enforced. Moldova had not yet taken any supervision measures to check whether legal entities have kept the beneficial ownership information as required. Moldovan authorities however indicated that since under the amended AML Law of 2023, all legal entities including companies will have until 31 December 2024 to register their beneficial ownership information with the PSA (as discussed in the following section), the PSA would be able to monitor whether such obligations are abided by or not and then take relevant supervision and enforcement actions as needed. Therefore, for purposes of this report, companies themselves could not be seen as a reliable sources of beneficial ownership information in Moldova.

Central registration of beneficial ownership information

108. Since 2017, there has been a general requirement under Article 14 of the AML Law for legal entities, including companies, to provide their beneficial ownership information when registering with the State Register. Such information registered with the State Register is not publicly accessible but is available to the other authorities and the reporting entities, including the STS.

109. This obligation has been implemented for newly created companies. Without such information, their application for registration is not accepted. Under the AML Law of 2017, the PSA issued binding Instructions on collecting, checking and recording data on the beneficial owners in the State Register of Legal Persons and Individual Entrepreneurs (Order No. 05/01-281 i of 9 August 2018) (Instructions on BO registration of legal entities). The Instructions set out the procedures and format for the founders of legal entities, including companies, to submit beneficial ownership information when registering with the State Register. Information of the beneficial owners that need to be submitted includes the name, date of birth, personal ID number, passport number, country of origin, address, and where the beneficial owners control the company through ownership interest, the percentage of the shareholding in the company. New companies registered after the 2017 AML Law was in force in December 2017 were generally required to submit the beneficial ownership information together with other information that was needed to the State Register. However, there was no verification of the information provided.

110. In addition, due to the lack of detailed implementing mechanisms, especially to companies that had already existed before the AML Law was
enacted in 2017, the registration of beneficial ownership information was not systematically implemented, as it was not clear on when and how those existing legal entities should submit the beneficial ownership information to the State Register. Therefore, the State Register was not seen as a reliable source for beneficial ownership information during the review period.

111. The Moldovan authorities amended the law to correct these deficiencies. According to Article VIII(5) of the Law No. 66 of 30 March 2023 for the Modification of Certain Normative Acts (which was the law to amend the AML Law of 2017), legal entities, individual entrepreneurs and non-commercial organisations registered in Moldova shall submit and/or update information on the beneficial ownership to the PSA within 18 months from the date of entry into force of the law, i.e. by 31 December 2024.

112. Failure to register beneficial ownership information entails administrative and financial sanctions. First, the State Register will not perform any registration of the concerned legal entities regarding their operation of amendment to the Articles of Association, reorganisations or liquidations (Article 53(3) and (5) of the AML Law). Second, failure to declare beneficial ownership information or incomplete or incorrect declarations would be subject to a fine of MDL 50,000 (EUR 2,632) to MDL 75,000 (EUR 3,948) (Article 263 of the Contravention Code).

113. The PSA has started to put in place relevant registration mechanisms, with the revision of the Instructions on BO registration of legal entities by the PSA Order No. 573 of 4 September 2023, and changes to the filing forms contained in the Instructions (for both new and existing companies). Therefore, all existing companies registered before 1 July 2023 (i.e. when the amended AML Law came into force) will have to submit or update (if it was submitted before in the case where a company was registered after the AML Law of 2017) the beneficial ownership information to the PSA by 31 December 2024. However, it is not clear how the State Register should validate the information submitted. Moldova informed that by 24 May 2024, approximately 45% of the total number of registered companies, including LLCs and JSCs, had registered their beneficial ownership information with the PSA, and another approximately 50% of the registered companies are expected to complete the registration by end of 2024 as required.

114. Legal entities are required to immediately inform the registration authority of any changes of the information submitted (Article 14(1) and (2) of the AML Law). However, there is no guidance on how the legal entities would identify such changes, especially when the legal owners do not change, as there is no obligation on the beneficial owners themselves to keep the company informed of their status. It might also be difficult for the State Register to assess whether an absence of updating notification is due to the stability of the beneficial ownership or to a failure of notifying changes.
115. To assist the State Register in assessing the accuracy of the information recorded, the amended AML Law of 2023 requires AML-obliged persons to report to the State Register any discrepancies between the beneficial ownership information identified through their CDD measures and such information registered in the State Register by the legal entities, within five working days. In such case, the reporting entities are obliged not to carry out any activity or transaction, not to establish any business relationship or to stop an existing business relationship, and immediately request the customer to update the beneficial information in the State Register. This has not been implemented yet, pending the launch of the central register.

116. Even though the central registration of beneficial ownership information may become a useful source of beneficial ownership information in Moldova after the filing deadline of 31 December 2024, yet during the review period it was not a reliable source and the related registration process under the amended AML Law of 2023 is still ongoing.

Availability of beneficial ownership information in EOIR practice

117. During the review period, Moldova did not receive any requests that were related to beneficial ownership information, and no issues were raised by the peers in this regard.

Conclusions

118. The definition of beneficial owners in the AML Law as well as the related binding guidance is generally in line with the standard. However, considering that the amended AML Law and the new BO guidance were issued in 2023 after the review period, their effectiveness was not tested. **Moldova is recommended to monitor the implementation of the AML Law amended in 2023 and the newly issued BO Guidance to ensure their effectiveness in practice.**

119. Moldova takes a multi-pronged approach to ensure the availability of the beneficial ownership information of legal entities including companies, through the CDD measure of the AML-obliged persons, obligations for companies to keep the beneficial ownership information themselves and the central registration of the beneficial ownership information.

120. Regarding the CDD measure of the AML-obliged persons, since not all legal entities in Moldova are required to engage an AML-obliged person and Moldova was not able to confirm the percentage of companies in practice that had engaged an AML-obliged person, there would be a concern on whether beneficial ownership information of legal entities including companies is available in all cases.
121. With respect to the obligations for legal entities, including companies, to keep the beneficial ownership information themselves, due to the lack of sanction rules in the legal framework to ensure all legal entities obtain and maintain their beneficial ownership information as required, Moldova is not able to enforce the implementation of such rules until the related registration requirement and sanctions are implemented. In addition, there is no guidance on how and when the legal entities would identify the changes of the beneficial owners, especially when the legal owners do not change, as there are no obligations on the beneficial owners themselves to keep the company informed of their status.

122. Concerning the centralised registration of beneficial ownership information of legal entities, Moldova is still implementing it, including through developing related mechanisms to validate the beneficial ownership information submitted by legal entities and to enable the reporting entities to conduct the discrepancy reporting. Thus, it is not possible to assess whether such centralised registration would be a reliable source of beneficial ownership information in Moldova. Also, the law does not specify the measures that the companies could take against the beneficial owners or the related intermediary entities to ensure the beneficial ownership information they maintain and registered with the central register is always accurate, adequate and up to date as required, even though there is a general requirement for companies to inform the central register immediately when there is a change of the beneficial ownership information registered.

123. Moldova is therefore recommended to ensure that accurate, adequate and up-to-date beneficial ownership information of companies is available in all cases in accordance with the standard.

124. As for practical implementation, there seems to be sufficient supervision and enforcement actions taken by the Moldovan authorities during the review period to financial institutions, including the banks and the capital market participants that are AML-obliged persons, to ensure the availability of beneficial ownership information through the CDD measures. However, there is a lack of oversight and enforcement actions from the supervisory authorities towards the non-financial institutions, including those that are not regulated by the NBM and the NCFM, which causes concerns on the availability of accurate and up-to-date beneficial ownership of all companies through the CDD measures, especially considering that not all companies are required to engage an AML-obliged person in Moldova.

125. Legal entities have until 31 December 2024 to submit the beneficial ownership information as required by the amended AML Law of 2023. Therefore no supervision and enforcement actions have yet been taken by the supervising authorities in this regard.
126. **Moldova is recommended to put in place mechanisms and a comprehensive and effective supervision and enforcement programme to ensure the availability of accurate, adequate and up-to-date beneficial ownership information of all companies in line with the standard.**

**Nominees**

127. In Moldova, regulated custodians, e.g. investment firms licensed by the NCFM, can act as the nominee of shareholders of JSCs. In such case, the investment firms, as reporting entities under the AML Law, are required to identify the beneficial owners of their clients, i.e. the nominators in the nominee arrangements. The Moldovan law is not clear on whether other non-regulated entities or individuals can act as nominees in a company, but Moldova confirms that there are no prohibitions on this.

128. Both JSCs and LLCs are subject to the transparency rules of Article 14 of the AML Law and must submit their beneficial ownership information to the State Register. However, the identification of the beneficial owners in a nominee arrangement would not necessarily give rise to transparency of the legal owners in the nominee arrangement in all cases, e.g. a nominee shareholder may not exert controlling ownership of a company thus will not be identified through the process of identifying the beneficial owners. In addition, as mentioned above, Moldova is still in the process of implementing Article 14 of the AML Law, and no oversight or enforcement actions have been taken in this regard. Also, the implementation for this obligation might be difficult in practice as nominees do not have an obligation to disclose their nominee status and nominator’s information under the Moldovan law. **Moldova is recommended to ensure that nominees acting as the legal owners on behalf of any other persons disclose their nominee status and ensure that the identity information on the nominators is available to the company, in line with the standard.**

**A.1.2. Bearer shares**

129. The Moldovan laws do not allow the issuance of bearer shares or bearer share warrants. Even though bearer shares were allowed before 2007, Moldova confirmed that legal entities registered in Moldova had never issued bearer shares or bearer share warrants. No legal issues were identified in the Phase 1 review report.
**A.1.3. Partnerships**

130. Jurisdictions should ensure that information is available to their competent authorities that identifies the partners in, and the beneficial owners of, any partnership that (i) has income, deductions or credits for tax purposes in the jurisdiction, (ii) carries on business in the jurisdiction or (iii) is a limited partnership formed under the laws of that jurisdiction.

131. The Moldovan law provides for the creation of two types of partnerships, both of which are legal persons with legal personality: a general partnership and a limited partnership.

- A general partnership is a commercial entity whose partners conduct business activities on behalf of the entity in accordance with the partnership agreement, and the partners bear joint and unlimited liability for the partnership’s obligations (Article 256 of the Civil Code). The number of partners in a general partnership is limited to 2 to 20 (natural or legal persons). The general partnership is managed by all partners in accordance with the partnership agreement, and decisions are made with a majority vote of the partners.

- A limited partnership is a commercial entity in which, together with the partners who conduct business activities on behalf of the entity and bear unlimited joint and unlimited liability for their obligations (general partners), there are one or more contributing partners who do not participate in the business activities of the entity and bear the obligations of the entity within the limit of their contribution (limited partners) (Article 271 of the Civil Code). The management of the limited partnership is exercised by the general partner, and the limited partners do not have the right to participate in management and administration of the limited partnership except for significant matters as specified in the partnership agreement, for which the agreement of all partners would be required (Article 273 of the Civil Code).

132. As of 31 December 2022, there were 67 general partnerships, and 10 limited partnerships registered with the PSA in Moldova. There were no foreign partnerships registered in Moldova. Moldovan authorities and the representatives from the private sector both confirmed that partnerships are not preferred legal forms for doing business in Moldova.

**Identity information**

**Legal requirements**

133. As partnerships fall within the scope of the legal entities, they are subject to registration requirements under the Law on Registration of Legal Entities, as that of companies. Similar to companies, a partnership obtains
legal personality upon registration with the State Register. Partnerships are required to submit the partnership agreement and the related identity information of partners (including the name, the IDNP, address and telephone number for natural persons and the IDNO, registration date, address for legal entities) to the State Register for registration (Article 33 of the Law on Registration of Legal Entities).

134. Where there is a change to the partnership agreement, including change of the partners, partnerships are required to submit the updated information to the State Register within 30 days after the change to the agreement (Article 16 of the Law on Registration of Legal Entities). Similar to the case of companies, without such registration, the rights of the new partners would not be recognised, as confirmed by Moldova. Information maintained by the State Register is kept permanently in Moldova.

135. In relation to foreign partnerships having sufficient nexus in Moldova, e.g. conducting business activities in Moldova through permanent establishments including branches or representative offices in Moldova, similar to foreign companies, they have to register their branches or representative offices in Moldova with the State Register so as to obtain the IDNO, according to the same procedures as those for domestic partnership under the Law on Registration of Legal Entities. However, identity information of the partners of the foreign partnership is not required to be provided.

136. Partnerships cease to exist after being removed from the State Register as per deregistration rules under the Law on Registration of Legal Entities. For liquidated partnerships or partnerships deregistered other than by way of liquidation, all their information registered with and documents submitted to the PSA will be kept in the archive of the PSA permanently (Article 15 of the Law on Registration of Legal Entities).

137. Similar to companies, upon their registration with the State Register, information is transmitted to the STS automatically and registered in the State Tax Register. The State Tax Register holds the information of partnerships permanently. Partnerships, including foreign partnerships that have a permanent establishment including a branch or a representative office in Moldova, are required to submit the annual income tax returns to the STS, regardless of their tax liabilities in Moldova. However, identity information on partners in a partnership is not required to be submitted in the tax returns to the STS. Foreign partnerships are also not required to register separately with the STS. Where partnerships engage with reporting entities in Moldova, e.g. banks or accountants, identity information of the partners will also be available with the reporting entities through the CDD procedure as required under the AML Law. This is the same as that has been discussed in Section A11.1 for companies.
138. To conclude, the Moldovan legal and regulatory framework includes requirements to ensure the availability of identity information of partners of a partnership in Moldova. However, for foreign partnerships having sufficient nexus in Moldova e.g. through a branch or a representative office, their partners’ identity information is not required to be submitted to the State Register at the registration. Thus Moldova is recommended to ensure that ownership and identity information of relevant foreign partnerships, including foreign partnerships that ceased to operate in Moldova, is always available in line with the standard.

Practical implementation

139. Compared with companies, Moldova has a very small number of partnerships, i.e. only 77 partnerships by the end of the review period – they are not a preferred legal form for doing business in Moldova.

140. As the case for companies as discussed under Element A.1.1, the PSA is responsible for receiving, verifying and maintaining the information submitted by the partnerships. The PSA stated that to obtain legal personality and conduct business, all partnerships will be voluntarily registered with the PSA and also update the related identity information of partners with the PSA in case of changes so as to ensure their rights are recognised by the law in Moldova.

Beneficial ownership information

Legal requirements

141. Moldova takes a multi-pronged approach to ensure the availability of beneficial ownership information of partnerships, through the CDD measures of the AML-obliged persons, the obligations imposed on partnerships to keep the beneficial ownership information by themselves, and the central registration of beneficial ownership of partnerships. Since partnerships are legal entities as companies, the concerns raised in relation to companies under Element A.1.1 also apply to partnerships.

142. In terms of the definition of beneficial owners for partnerships, the definition of beneficial owners for companies as discussed in Element A.1.1 is equally applied to partnerships (as legal persons). Limited partnerships and general partnerships operate differently to companies, especially as concerns control, and the decision-making in companies is linked to capital contribution, while in partnerships it follows the partnership agreements. With regard to limited partnerships, the requirement for simultaneous application of control by ownership and control by “other means” set out in the definition of beneficial owners for legal persons (see paragraph 82) ensures
that both limited partners with more than 25% capital contribution and all general partners that exercise control over the partnership will be identified as beneficial owners of a limited partnership, in line with the standard. For general partnerships, all general partners conduct business activities on behalf of the general partnership in accordance with the partnership agreements, and the partners bear joint and unlimited liability for the partnership’s obligations as discussed in paragraph 131, therefore the general partners exercise ultimate control over the general partnerships through “other means” not through controlling shareholding interest, and they would be identified as the beneficial owners of the general partnership. In addition, the new binding BO Guidance further requires the AML-obliged persons to consider the method of exercising control over the legal entity, taking into account the holding the function of the management position including exercising decisive control over the legal person by taking strategic decisions which essentially affect business relations or the direction of development of the legal entity (Paragraph 13(d) of the BO Guidance). However, considering that the amended AML Law and the new BO guidance were issued in 2023 after the review period, their effectiveness was not tested. Moldova is recommended to monitor the implementation of the AML Law amended in 2023 and the newly issued BO Guidance to ensure their effectiveness in practice.

143. For the CDD measures of the AML-obliged persons, not all partnerships are required to engage an AML-obliged person in Moldova. Even though all partnerships are required to keep the beneficial ownership information by themselves, there are no sanction rules in the legal framework, and the related central registration of beneficial ownership information of partnerships is still in process of being implemented, with all partnerships having the deadline of 31 December 2024 to submit the beneficial ownership information to the central register. Where there is a change of the information registered by the partnership to the central registrar, it should be notified to the central registration immediately as required by the AML Law, but Moldova’s legal framework does not provide for guidance on how and when partnerships would identify the changes of the beneficial owners, especially when the legal owners do not change, as there are no obligations on the beneficial owners themselves to keep the partnerships informed of their status.

144. The retention period for the reporting entities and the State Register to keep the beneficial ownership information is the same as that discussed in Element A.1.1 for companies, i.e. five years after the termination of the business relationship with the clients (Article 9(2) of the AML Law). Regarding the requirements for partnerships to keep the beneficial ownership information by themselves, there is no such retention period specified in the law of Moldova, as in the case of companies.
Beneficial ownership information of foreign partnerships that have a sufficient nexus in Moldova may be available with the reporting entities where they are engaged. Similar to domestic partnerships, foreign partnerships should also register their beneficial ownership information with the State Register, but only in the case where they have branches in Moldova.

In summary, there are legal and regulatory frameworks in place to ensure the availability of beneficial ownership information of partnerships in Moldova, through the CDD measures of the AML-obliged persons; the obligations imposed to partnerships to keep the beneficial ownership information; and the centralised registration of the information with the PSA. However, due to the lack of sanction rules and related effective compliance measures to ensure the obligations for partnerships to keep the beneficial ownership information is complied with, thus it was not seen as a reliable source of beneficial ownership information for partnerships in Moldova during the review period. In addition, since the centralised registration of beneficial ownership information for partnerships is still to be implemented and will not be completed by end of 2024, thus this was not seen as a reliable source of beneficial ownership information of partnerships in Moldova during the review period. Even though the CDD measures of the AML-obliged persons would be a reliable source of beneficial ownership information for partnerships, yet similar to companies, not all partnerships were required to engage an AML-obliged person. Therefore, Moldova is recommended to ensure that accurate, adequate and up-to-date beneficial ownership information is available for all partnerships in line with the standard.

Practical implementation

Similar to the case of companies as discussed under Element A.1.1, since the BO Guidance regarding the identification of beneficial owners of partnerships was issued after the review period, in November 2023, its effectiveness could not be assessed. Moldova is recommended to monitor the implementation of the AML Law amended in 2023 and the newly issued BO Guidance to ensure its effectiveness in practice.

With regard to the supervision and enforcement actions to ensure the availability of beneficial ownership information of partnerships in practice, the analysis made for companies apply to partnerships.

Moldova is therefore recommended to put in place mechanisms and a comprehensive and effective supervision and enforcement programme to ensure the availability of accurate, adequate and up-to-date beneficial ownership information of partnerships in line with the standard.
Availability of identity information and beneficial ownership information of partnerships in EOIR practice

150. During the review period, Moldova did not receive any requests that were related to identity information and beneficial ownership information of partnerships, and no issues were raised by the peers in this regard.

A.1.4. Trusts and similar arrangements

151. Jurisdictions should take all reasonable measures to ensure that beneficial ownership information is available to their competent authorities in respect of express trusts (i) governed by the laws of that jurisdiction, (ii) administered in that jurisdiction, or (iii) in respect of which a trustee is resident in that jurisdiction.

152. Moldovan legislation does not provide for the creation, operation and management of trusts, and Moldova is not a signatory to the Hague Convention on the Law Applicable to Trusts and their Recognition. There might nonetheless be foreign trusts administered in Moldova.

153. Moldovan *fiducia* have some features of a trusts and are analysed below.

Moldovan fiducia and foreign trusts

154. The Civil Code provides the notion of “*fiducia*” in Moldova. A *fiducia* is a legal relationship in which a party (fiduciary/trustee) becomes the owner of the assets (fiduciary patrimonial mass), and manages the assets in accordance with the conditions governing the legal relationship (trust conditions), for the benefit of a beneficiary or to promote a public utility purpose (Article 2055 of the Civil Code). The *fiducia* is not a legal arrangement in the sense of the common law concept for a trust, but it has a very similar structure to an express trust. Parties to a fiducia include the settlor, the trustee, the beneficiary and the assistant\(^{16}\) of the *fiducia*. A settlor of a *fiducia* can also be a trustee and/or beneficiary of the *fiducia*, and a trustee can also be a beneficiary, subject to the provisions in the *fiducia* agreement, a will, an administrative act or a court decision.

155. A *fiducia* does not fall into the scope of legal entities under the Law on Registration of Legal Entities, so the identity information of the settlor, trustee, beneficiary and assistance is not registered with the State Register.

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\(^{16}\) The assistant is the person who, according to the conditions of the *fiducia*, has the right to appoint or revoke the trustee or to give his/her consent to the resignation of the trustee, as well as other discretions and empowerments expressly provided (Article 2056(4) of the Civil Code).
An IDNO is not assigned to the fiducia. A fiducia is also not registered with the STS for tax purposes, as it is not recognised as a taxpayer under the Tax Code. Moldova confirms that as a fiducia is not recognised as a legal entity, it cannot itself establish any business relationships with other legal persons, e.g. opening a bank account. It is also not allowed to use names that may create confusion that the fiducia is a legal entity (Article 2080(2) of the Civil Code). Engagement of a notary or a lawyer is not mandatory for creating a fiducia in Moldova, and there are no restrictions on foreigners being the settlors, trustees or beneficiaries of fiducia in Moldova. In practice, the fiducia is mainly used for investment purposes in the capital market or any other public utility purposes.

156. The trustee of a fiducia has the obligation to keep records for the fiducia, i.e. the fiducia records (Articles 2104 and 2105 of the Civil Code). The fiducia records include the fiducia agreement or any other document on the creation of the fiducia (e.g. the wills or the court decisions) that contain the identity information of the beneficiaries and trustees (Article 2075 of the Civil Code). It is not clear what identity information should be kept by the trustee and how long it should be kept under the Civil Code.

157. With regard to beneficial ownership information, the AML Law of 2017 specified that the beneficial owners of a fiducia would be the persons who own directly or indirectly the ownership or control of at least 25% of the goods (assets) under fiducia administration (Article 3 of the AML Law of 2017), which was not in line with the standard as analysed in the Phase 1 review report. The definition was revised in the amended AML Law of 2023 as that beneficial owner(s) in the case of trusts or similar legal arrangements should be (Article 5²(2)(2) of the AML Law):

- all the natural persons as follows:
  - a) The settlor/settlors, as well as the persons designated to represent their interests under the conditions of the law;
  - b) The trustee/trustees;
  - c) The protector/protectors (if any);
  - d) The beneficiary/beneficiaries of the trust or of similar legal arrangement or in case if his/her/their identity is still not identified, the category of persons in whose main interest the trust or the similar legal arrangement is established or operates;
  - e) Any other natural person exercising ultimate control over the trust or the similar legal arrangement by direct or indirect exercise of the ownership right or by other means.
158. This definition is in line with the standard in terms of the beneficial owners for arrangements that are similar to trusts. In addition, natural persons or legal persons in Moldova carrying out fiduciary activities, including acting as the trustees for a *fiducia*, are AML-obliged persons, and have the obligations to conduct the CDD measures to identify the beneficial owner information of the *fiducia* (Article 4(1)(n) of the AML Law). This constitutes the only source of beneficial ownership information of the *fiducia* in Moldova since it is not possible for a *fiducia* to engage any other reporting entities. Such information should be kept by the trustees for a period of five years after the termination of the business relationship with the clients (Article 9(2) of the AML Law). The identity information of beneficial owners required to be kept is the same as that for companies under Element A.1.1. However, due to relevant rules of the definition of the beneficial owners for trusts and similar legal arrangements in the amended AML Law came into force in July 2023 after the review period, its effectiveness in practice was not tested. **Moldova is recommended to monitor the implementation of the AML Law amended in 2023 and the newly issued BO Guidance to ensure their effectiveness in practice.**

159. With regard to foreign trusts, there are no restrictions in Moldova that prevent a Moldovan resident from acting as a trustee, protector or administrator of a trust formed under foreign laws. Under the tax law, there are no specific provisions on the taxation of a foreign trust and the trust’s income may only be relevant to the settlors or beneficiaries, who need file tax returns in Moldova if they are liable to taxes in Moldova (e.g. Articles 106 and 117(8) of the Tax Code). However, under the AML Law, similar to the case of *fiducia*, natural persons or legal persons carrying out fiduciary activities would fall within the scope of AML-obliged persons, thus are required to take CDD measures to identify the beneficial owners of the foreign trusts. Such natural persons or legal persons are not required to register with the Moldovan authority though. Where other AML-obliged persons, e.g. banks, lawyers, accountants, investment companies or non-banking payment service providers, are engaged, the beneficial ownership information of foreign trusts should also be identified.

160. The STS is also developing a register of fiducia and trusts in Moldova as per Article 14(21) of the AML Law, including their beneficial ownership information. However, this is still at early stages, and it is unclear what beneficial ownership information and through what procedures should such information be registered with the STS. Moldova should continue its implementation of the central registration of beneficial ownership information of trusts and other legal arrangements to ensure its effectiveness in practice (see Annex 1).
Practical implementation

161. Moldova confirmed that fiducia is not a preferred legal form for doing business in Moldova and in practice it is not common for a Moldovan resident to act as the trustee or the administrator of a foreign trust. In spite of this, no actions have been taken by the Moldovan authorities to understand the population of the fiducia or foreign trusts that exist in Moldova and to monitor them to ensure the relevant legal obligations to the trustees or other AML-obliged persons regarding fiducia and foreign trusts are abided by in practice. Moldova is therefore recommended to put in place mechanisms and a comprehensive and effective supervision and enforcement programme, to ensure the availability of adequate, accurate and up-to-date beneficial ownership information of fiducia and foreign trusts in line with the standard.

Availability of identity information and beneficial ownership information of trusts and similar legal arrangements in EOIR practice

162. During the review period, Moldova did not receive any requests that were related to identity information and beneficial ownership information of fiducia or foreign trusts, and no issues were raised by the peers in this regard.

A.1.5. Foundations

163. In Moldova, foundations are non-profit organisations. They must pursue non-commercial purposes, e.g. for the development and support of democracy and human rights, science, culture and art (Article 21 of the Law on Non-profit Organisations). The Moldovan law does not provide for private foundations. As of 31 December 2022, there were 510 foundations registered in Moldova.

164. Foundations in Moldova can benefit from an income tax exemption if certain conditions are met (Article 52(1) and (2) of the Tax Code). Profits of foundations cannot be distributed among the members and founders of the foundations or any other people (e.g. administrative staff of the foundation). Upon liquidation of the foundations, the remaining assets of the foundation must be transferred to other non-profit organisations that have similar statutory objectives in accordance with relevant laws or as set out by the council of the foundation, or as designated by the court (Article 8(3) and (4) of the Law on Non-profit Organisations).

165. Considering the above features of the foundations in Moldova, they are not relevant for the purpose of the review and only a brief overview of their legal structure and ownership and identity information requirements is given here in this section of the report.
166. Foundations in Moldova must be registered with the State Register and will obtain legal personality upon registration. To register a foundation, various information should be submitted, including the identity information of all founders of the foundation. This information includes name, the IDNP, date of birth, address and nationality in the case where the founder is a natural person; and name, registered office address, the IDNO, and the document confirming the representatives’ power of representations in the case where the founder is a legal entity (Article 13(6)I of the Law on Non-profit Organisations). In addition, as legal persons, foundations are subject to the transparency rules as provided in Article 14 of the AML Law, including keeping adequate, accurate and up-to-date beneficial ownership information and registering that information with the State Register. Beneficial owners of non-commercial organisations, including foundations, are defined to be the natural person(s) who exercise ultimate control over the non-commercial organisation under Article 5²(2)(3) of the AML Law.

**Other relevant entities and arrangements – Co-operatives**

*Identity and legal ownership information*

167. The Moldovan law provides for the creation of three types of co-operatives: production co-operatives (under the Law on Production Co-operatives), consumer co-operatives (under the Law on Consumer Co-operatives), and entrepreneurial co-operatives (under the Law on Entrepreneurial Co-operatives). As of 31 December 2022, there were 3 552 co-operatives registered in Moldova.

168. A production co-operative is an enterprise set up by five or more natural persons for the purposes of jointly carrying out the production activities or other related economic activities, mainly based on the individual members’ work and their contributed shares of capital (Article 1(1) of the Law on Production Co-operatives). Production co-operatives are required to keep a register of their members and the members are required to notify the co-operative where there is a change to their personal information, but it is not clear whether or what identity information should be kept in such register.

169. Similar to a production co-operation, a consumer co-operative is an autonomous and independent association of natural persons, created through the co-operation of its members to carry out economic activities to satisfy their interests and their need for consumption (Article 1 of the Law on Consumer Co-operative). Consumer co-operatives should maintain a register of their co-operative members, which includes the information of co-operative member’s name, address, subscribed shares, date of registration, and the members are required to notify the co-operative where there is a change to their personal information.
170. Being different from a production co-operation and a consumer co-operative, an entrepreneurial co-operative is a commercial organisation, whose members can either be legal or natural persons that conduct business activities (Article 5(1) of the Law on Entrepreneurial Co-operatives). According to Article 79 of the Law on Entrepreneurial Co-operatives, the entrepreneurial co-operatives should keep a register of their co-operative members. The register contains the information of the members, including the name, registration number and tax identification number in the case of a legal person; and their name, the IDNP, nationality, residence address and tax identification number in the case of a natural person. The members are required to notify the co-operative where there is a change to identity information.

171. The laws do not indicate how long the identity information of members should be kept by the co-operatives, but practically such information is kept by the co-operatives indefinitely for recognising the rights of the members to the co-operatives as confirmed by Moldova.

172. In Moldova a co-operative is treated as a legal person, and it has a general assembly as the supreme body, and an executive body to exercise the daily administration and operation of the co-operative. As legal persons, co-operatives are required to register with the PSA according to Article 33 of the Law on Registration of Legal Entities. However, the information of the co-operatives’ members is not required to be registered with the PSA, thus not available with the State Register.

173. In conclusion, the identity and legal ownership information of co-operatives are mainly held by the co-operatives themselves. However, there is a lack of clarity on whether and what identity and legal ownership information of production co-operatives should be maintained, and there is a lack of requirements for the retention period for such information of all types of co-operatives. It is also not clear who will keep such information where a co-operative ceases to exist. Moldova is recommended to ensure that identity and legal ownership information of all co-operatives, including co-operatives that ceased to exist, is always required to be available in line with the standard.

174. For practical implementation, similar to the case where LLCs are required to keep the ownership information themselves, Moldova stated that the registrar has no power to conduct supervision and enforcement activities to the co-operatives in this regard, and maintaining the list of members and their identity information by the co-operatives themselves has a self-enforcing effect since only members registered in the list will enjoy the related legal rights to the co-operatives.
Beneficial ownership information

175. The beneficial ownership information of co-operatives in Moldova was ensured by the CDD measures of the AML-obliged persons, e.g. banks (when they are engaged) during the review period. Even though there are obligations for legal entities, including co-operatives, to keep their beneficial ownership information and file such information with the State Register, yet they were not sources of beneficial ownership information due to the gaps or pending issues as discussed in the below.

176. The definition of the beneficial owners and the requirements for AML-obliged persons to identify the beneficial owners as discussed for companies and partnerships in Element A.1.1 and Element A1.3 also apply to co-operatives, as specified in the amended AML Law of 2023 and the newly issued BO Guidance. However, considering that the amended AML Law and the new BO guidance were issued in 2023 after the review period, their effectiveness was not tested. Moldova is recommended to monitor the implementation of the AML Law amended in 2023 and the newly issued BO Guidance to ensure their effectiveness in practice.

177. Regarding the availability of beneficial ownership information of co-operatives through the AML-obliged persons, the concerns as identified with respect to the coverage of all entities that are engaged with AML-obliged persons in Moldova also exist for the co-operatives.

178. As legal persons, co-operatives are subject to the requirements to maintain adequate, accurate and up-to-date beneficial ownership information and register the information with the State Register in accordance with Article 14 of the AML Law. As the case for companies and partnerships, there are no legal provisions regarding what sanctions will be applied to the co-operatives if the obligations to maintain beneficial ownership information by themselves are breached. As mentioned in the above, the PSA is in the process of implementing the centralised registration of beneficial ownership information of legal persons, including co-operatives. However, it is not clear how the State Register should validate the information submitted, and there is no guidance on how the legal entities would identify such changes, especially when the legal owners do not change, as there is no obligation on the beneficial owners themselves to keep the co-operatives informed of their status. Moldova is recommended to ensure that accurate, adequate and up-to-date beneficial ownership information is available for all co-operatives in line with the standard.

179. For practical implementation, regarding the CDD measures of AML-obliged persons, similar to the case of companies and partnerships, there was sufficient supervision and enforcement actions taken during the review period to financial institutions including the banks and the capital market
participants that are AML-obliged persons. However, there is a lack of oversight and enforcement actions from the supervisory authorities towards the non-financial institutions, which causes concerns on the availability of beneficial ownership of all co-operatives in Moldova. As for the obligations for co-operatives to keep the beneficial ownership information by themselves and register such information with the central register, there were no supervision and enforcement actions taken by the Moldova authorities, the same as the case for companies and partnerships. **Moldova therefore is recommended to put in place mechanisms and a comprehensive and effective supervision and enforcement programme to ensure the availability of adequate, accurate and up-to-date beneficial ownership information of co-operatives in line with the standard.**

**Availability of identity information and beneficial ownership information of co-operatives in EOIR practice**

180. During the review period, Moldova did not receive any requests that were related to identity information and beneficial ownership information of co-operatives, and no issues were raised by the peers in this regard.

**A.2. Accounting records**

| Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements. |

181. Moldova’s Law on Accounting and Financial Reporting (Law on Accounting) places necessary requirements of maintaining reliable accounting records with underlying documentation on all Moldovan legal entities and foreign entities carrying out entrepreneurial activities in Moldova. Under the Tax Code, taxpayers are required to keep records, including accounting documents stipulated in the Law on Accounting, to substantiate their tax obligations. Accounting records, including underlying documentation, are required to be kept for at least five years according to the Order of the State Archive Service. Penal sanctions are provided for non-compliance with the obligation to keep accounting records under the Tax Code and the Contravention Code. However, a gap exists in respect of the requirement to keep accounting records and underlying documentation for *fiducia* and foreign trusts operated by Moldovan resident trustees.

182. With regard to implementation, the STS has taken supervisory actions to taxpayers that are legal entities or arrangements to ensure the availability of accounting records in practice, throughs its monitoring of annual tax returns and the regular tax audits. While the actions taken by the STS during the review period are robust and sufficient, they do not result
in strong and effective sanctions for the non-compliances identified by the STS, as a large proportion of financial penalties issued by the STS were yet to be collected.

183. During the review period, Moldova received 48 requests from exchange partners that were related to accounting information. Moldova fully responded to the exchange partners on those requests and no issues were raised by the peers regarding the availability of accounting information in Moldova.

184. The conclusions are as follows:

**Legal and Regulatory Framework: Needs Improvement**

<table>
<thead>
<tr>
<th>Deficiencies identified/Underlying factor</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moldovan legislation does not clearly ensure that reliable accounting records and underlying documentation are kept for fiducia and foreign trusts, which have Moldovan resident trustees or are administered in Moldova in all cases.</td>
<td>Moldova is recommended to ensure that reliable accounting records and underlying documentation for fiducia and foreign trusts which have Moldovan resident trustees or are administered in Moldova are kept in all cases for at least 5 years in line with the standard.</td>
</tr>
</tbody>
</table>

**Practical Implementation of the Standard: Largely Compliant**

<table>
<thead>
<tr>
<th>Deficiencies identified/Underlying factor</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>While the supervision actions taken by the State Tax Service during the review period are robust and sufficient, they do not result in strong and effective sanctions for the non-compliances identified. The National Statistics Bureau, as the authority in charge of the supervision on submission of financial statements of legal entities, had not taken any actions to monitor the compliance as such. There is also a lack of sufficient supervision activities taken to companies that cease to exist to ensure their accounting information is available.</td>
<td>Moldova is recommended to strengthen its enforcement measures to non-compliant entities and arrangements to ensure that reliable accounting records of all relevant entities and arrangements are always available in line with the standard, including those that cease to exist.</td>
</tr>
</tbody>
</table>
A.2.1. General requirements and A.2.2. Underlying documentation

185. The Terms of Reference set out the standards for the maintenance of reliable accounting records and the necessary accounting record retention period. They provide that reliable accounting records should be kept for all relevant entities and arrangements. To be reliable, accounting records should: (i) correctly explain all transactions; (ii) enable the financial position of the entity or arrangement to be determined with reasonable accuracy at any time; and (iii) allow financial statements to be prepared. Accounting records should further include underlying documentation, such as invoices, contracts, etc. Accounting records need to be kept for a minimum of five years.

186. Accounting obligations of the relevant entities are mainly contained in the Law on Accounting, supplemented by the Tax Code, as described below.

Law on accounting

187. The Law on Accounting covers all legal entities established in accordance with Moldovan laws, irrespective of their legal forms (including companies, partnerships, co-operatives and foundations) as well as all their branches located outside Moldova and branches of foreign entities operating in Moldova (Articles 2 and 20 of the Law on Accounting). Entities are required to keep accounting documents that include underlying documentation, accounting registers, financial statements and other relevant documents in the premises of the entities on paper, or electronically under condition that they can be accessed at any time upon request of the bodies empowered by the legislation (Article 17(1) and (2) of the Law on Accounting). The entities are also obliged to ensure that accounting documents are protected from unauthorised modifications (Article 17(3) of the Law on Accounting).

188. Accounting documents have to include primary documents justifying the occurrence of economic facts representing a transaction, operation or event that modified or may modify assets, equity, liabilities, revenue, cost and/or expense of the entity (Article 3 of the Law on Accounting). The accounting documents must include the following:

- name and date of issuance of the document
- name, address, the IDNO of the entity for which the document is issued
- name, address, the IDNO of the beneficiary of the document, and for natural persons – the IDNP
- content, volume and value of the documented economic facts
- titles, first and last names and signatures of persons responsible for the occurrence of economic facts (Article 11(7) of the Law on Accounting).
189. Documents justifying the occurrence of economic facts that should be kept in the entities include underlying documentation such as invoices and contracts.

190. Information contained in accounting documents must be registered on the accounts of the synthetic accounting registers based on the double entry system. Accounting registers should be clearly organised, reflect chronological and/or systematic order of recorded economic facts and should include identification of persons responsible for keeping the register (Article 15 of the Law on Accounting).

191. Entities are required to prepare financial reporting based on the accounting data contained in the accounting registers. Financial reporting should include the balance sheet, the profit and loss account, the cash flow statement, the statement on changes in equity and the explanatory note.

192. Small businesses, which do not exceed certain criteria at the reporting date: total assets MDL 63 600 600 (EUR 3 348 219), sales revenues MDL 11 200 000 (EUR 589 618), and average number of employees in the reporting period 10, can draw up simplified financial statements consisting of the balance sheet, the profit and loss account and the explanatory note in accordance with the National Accounting Standards (Articles 4, 5, 18 and 21 of the Law on Accounting), while they are required to keep accounting records including underlying documentation that correctly explain the entity’s transactions, enabling it to determine the entity’s financial position with reasonable accuracy at any time.

193. Further details concerning the principles and methods for keeping accounting records and preparing financial reporting are contained in the National Accounting Standards based on the International Accounting Standards and International Financial Reporting Standards (IFRS). Entities can choose to follow only the IFRS however, a public interest entity defined as an entity whose securities are admitted for trading on a regulated market; bank; insurer (re-insurer)/insurance company; undertaking for collective investment in securities with legal personality; large entity which is a state-owned enterprise or a JSC where the share of the state is higher than 50% of the share capital is obliged to prepare their financial reporting based on the IFRS (Article 5 of the Law on Accounting).

194. Entities that violate the provisions of the Law on Accounting will bear disciplinary, civil, administrative and/or criminal liability (Article 34 of the Law on Accounting). The Contravention Code provides several sanctions for failure to keep accounting information. For example, a failure to draw up documents justifying the occurrence of transaction that modified or may modify the assets, equity, liabilities, revenues, costs and/or expenses of the entity, incomplete or inadequate preparation of these documents and late submission of documents are sanctioned with a fine from MDL 600 (EUR 32)
to MDL 2 250 (EUR 118) to the person responsible for drawing up, signing and presenting these documents (Article 295 of the Contravention Code).

195. In Moldova, all entities are obliged to submit their financial statements to the National Bureau of Statistics (NBS), which manages the public depository of financial statements, by paper, email or uploading them in the system of the registrar annually (Article 33 of the Law on Accounting). External audits are mandatory for medium and large-sized entities, entities with public interests and other entities specified by law, e.g. banks, insurance companies, as well as state-owned enterprises or joint stock companies where more than 50% of the shares are owned by the state. They are also obliged to submit their financial statements to the NBS and to publish their audited annual financial reports together with the auditor’s report on their website (Articles 32 and 33 of the Law on Accounting). Failure for entities to submit the financial statements as required to the NBS would be subject to a fine from MDL 2 500 (EUR 132) to MDL 3 500 (EUR 184) to the legal entities and a fine from MDL 1 000 (EUR 53) to MDL 2 000 (EUR 105) to the responsible persons of the legal entities (Article 295 of the Contravention Code). The NBS is in charge of supervising these obligations, but it is unclear in practice how many companies have actually published their audited annual financial reports as required, as the NBS was not able to provide relevant information.

**Tax law**

196. Accounting obligations under the Law on Accounting are supplemented by obligations under the tax law. Taxpayers are required to keep accounting records including underlying documentations stipulated in the Law on Accounting, substantiating their tax obligations in the form and manner established by law and are obliged to provide reliable information on the income derived from any type of entrepreneurial activity (Article 8(2) c) d) and 129 10) of the Tax Code). Although Moldovan laws do not explicitly stipulate the place where records should be kept, accounting documents and other information on business activity should be available to tax authorities’ officials upon request (Article 8(2) f) of the Tax Code).

197. Legal entities resident in Moldova or the permanent establishment of foreign companies that are not resident in Moldova are required to submit the annual income tax returns to the STS regardless of their tax liabilities in Moldova (Article 83(2) c) and e) of the Tax Code). Such annual income tax returns to the STS include relevant accounting information regarding the incomes and expenses, as well as the adjusted types of incomes or expenses for tax purposes.
198. The Tax Code provides for penalties consisting of fines from MDL 40 000 (EUR 2 106) to MDL 60 000 (EUR 3 159) in case of non-compliance with the accounting record keeping obligations (Articles 189(2) and 257 of the Tax Code).

199. In practice, as confirmed by Moldova, when an EOI request is received in relation to the accounting information, the primary source of such information would generally be the legal entities themselves.

**Retention period**

200. There is no explicit retention period for keeping the accounting records including underlying documentation under the Tax Code and Law on Accounting. Retention requirements follow the Order of the State Archive Service, which provides an Indicator of standard documents created during the activities of public administration authorities, institutions, organisations and companies. The Indicator specifies the terms of storing documents, which must be applied by all relevant legal entities. In accordance with the Indicator, accounting records and underlying documentation should be kept for at least five years, in line with the standard. Annual financial statements are required to be kept for ten years and underlying documentation including invoices and contracts is required to be kept for five years.

**Moldovan fiducia and foreign trusts**

201. The Civil Code provides for the possibility to set up fiducia arrangements as described in section A1.4. The Law on Accounting does not expressly regulate fiduciary operations. Under the Civil Code, a trustee of a fiducia has the obligation to keep records for the fiducia (Article 2104 and 2105 of the Civil Code). The trustee is also obliged to provide information upon request of other parts of the fiducia at least once a year on the status of the fiducia, including its debts and revenues (Article 2103 of the Civil Code). However, it is not clear under the Civil Code whether accounting records and underlying documentation for fiducia should be kept by trustees in all cases and how long they should be kept.

202. Accounting obligations of a Moldovan resident person acting as a trustee of a foreign trust are not clearly provided. Under the Law on Accounting, if the trustee is a legal person, it will be required to keep proper accounting records and documents in accordance with the National Accounting Standards or the international accounting standards, which appear to ensure that the trustee is required to keep separate accounting records and documents for all operations of the trust and not simply for his/her own income derived from the trust, in a manner which allows identification of these operations as operations under the trust contract.
203. If the trustee is an individual, he/she will be subject to simple-entry accounting based on cash accounting and will not be required to prepare financial statements (Article 5(6) of the Law on Accounting). This may not ensure that such accounting records and documents are kept for the trust itself and are not confined to the business of the trustee in all cases. Obligations under accounting law are not clearly supported by the Tax Code since the Tax Code does not recognise the trust concept as relevant for taxation (see A.1.4). However, as discussed under A.1.4, under the AML Law, natural persons or legal persons carrying out fiduciary activities fall within the scope of AML-obliged persons, thus are required to maintain relevant transaction information. This may partially contribute to the sources of accounting information of fiduciaries and foreign trusts in Moldova.

204. As the above requirements do not ensure that accounting records in respect of fiduciaries and foreign trusts operated by Moldovan resident trustees are kept in all cases, Moldova is recommended to ensure that reliable accounting records and underlying documentation for fiduciaries and foreign trusts which have Moldovan resident trustees or are administered in Moldova are kept in all cases for at least 5 years in line with the standard.

Companies that ceased to exist and retention period

205. If an entity ceases its activity, the accounting documents, including underlying documentation, are transmitted to the state archives (Article 17(5) of the Law on Accounting). It would also apply to foreign entities ceasing operations in Moldova. However, in practice, it is unclear if the state archives have actually received such documentation as required from companies that ceased to exist. In case of a company’s liquidation, the liquidator or the administrator is obliged to transmit the company’s accounting documents to the state archives before deletion of the company from the State Register of Legal Entities. In case of companies deregistered other than by liquidation, the documents would be lodged with the state archives by the managing director. The state archives will keep these documents for at least five years (Article 226 of the Order of the State Archive Service and Article 25 of the Law on Archival Fund). Moldova’s legislation does not allow Moldovan entities to redomicile in a foreign country.
Oversight and enforcement of requirements to maintain accounting records

National Bureau of Statistics

206. According to the Law on Accounting, the NBS ensures necessary conditions for entities to submit financial statements online or on paper and verifies compliance with the completeness of financial statements through the Public Depository of Financial Statements (Article 8 of the Law on Accounting). The NBS is also obliged to make sure that the financial statements are drawn up, submitted and published in accordance with accounting law and accounting standards (Article 33(7) of the Law on Accounting). Under the law, not all legal entities in Moldova are required to submit audited financial statements to the NBS. The numbers of legal entities that filed the financial statements as required during the review period were 61 900 in 2020, 64 200 in 2021 and 66 800 in 2022. However, the NBS was not able to provide the numbers of entities that are legally required to submit the financial statements, thus the filing rates during the review period as such are unknown. Moldova confirmed that during the review period, the NBS had not taken actions to tackle the non-compliances, but it is now developing relevant overseeing mechanisms.

State Tax Service

207. The tax administration supervises whether taxpayers comply with the obligations under the Tax Code, including the obligations to keep accounting records (Article 8(2)c). During the review period, the numbers of legal-entity taxpayers that were required to submit income tax returns under the Tax Code were 86 147 in 2020, 87 997 in 2021 and 90 093 in 2022 and the numbers of legal-entity taxpayers that had submitted the income tax returns as required were 72 095 in 2020, 77 329 in 2021 and 78 930 in 2022, which can be summarised in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of entities required to file income tax returns</th>
<th>Number of entities that have filed income tax returns</th>
<th>Filing rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>86 147</td>
<td>72 095</td>
<td>84%</td>
</tr>
<tr>
<td>2021</td>
<td>87 997</td>
<td>77 329</td>
<td>88%</td>
</tr>
<tr>
<td>2022</td>
<td>90 093</td>
<td>78 930</td>
<td>88%</td>
</tr>
</tbody>
</table>

208. During the review period, the average tax filing rate from 2020 to 2022 was 87%. For those taxpayers that failed to file tax returns as required, including filing the tax returns late, actions had been taken by the STS including sanctions being applied according to the Contravention Code.
However, in some cases, penalties were not issued where the tax filings were supplemented with late tax payment interests or where the filings were delayed or disrupted due to the impact of the COVID-19 pandemic. The STS issued 5,471 penalty notices (minutes) in 2020, 3,524 in 2021 and 1,423 in 2022, with the amounts of MDL 2,024,050 (EUR 106,568) in 2020, MDL 1,304,300 (EUR 68,672) in 2021 and MDL 547,500 (EUR 28,826) in 2022, as summarised in the table below.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of minutes drawn up by the STS</td>
<td>5,471</td>
<td>3,524</td>
<td>1,423</td>
</tr>
<tr>
<td>Fines applied and collected</td>
<td>MDL 2,024,050</td>
<td>(EUR 106,568)</td>
<td>MDL 1,304,300</td>
</tr>
</tbody>
</table>

209. Besides the supervision and enforcement actions taken by the STS for ensuring the annual income tax filings are complied with, the STS has taken various compliance actions to ensure that legal entities are keeping accounting records as required by the Law on Accounting and the Tax Code. The STS has adopted a risk management system for mitigating the risks of non-compliances and increasing the voluntary compliance. Based on the established risk profiles of the taxpayers, the STS may take monitoring actions to the taxpayers and verify their compliances. Those actions mainly include desktop audits and onsite audits, and where non-compliances were identified including non-compliances on keeping accounting records, penalties were issued. Details as such are summarised in the table below.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of taxpayers audited</td>
<td>17,238</td>
<td>13,408</td>
<td>12,795</td>
</tr>
<tr>
<td>Number of audits performed</td>
<td>25,959</td>
<td>19,294</td>
<td>16,051</td>
</tr>
<tr>
<td>Including: number of desktop audits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of onsite audits</td>
<td>19,729</td>
<td>14,881</td>
<td>14,094</td>
</tr>
<tr>
<td>Total amount of penalties calculated</td>
<td>MDL 537,490,000 (EUR 28,299,257)</td>
<td>MDL 1,272,317,000 (EUR 66,988,458)</td>
<td>MDL 964,607,000 (EUR 50,787,292)</td>
</tr>
<tr>
<td>Total amount of penalties collected</td>
<td>MDL 120,372,000 (EUR 6,337,677)</td>
<td>MDL 142,013,000 (EUR 7,477,093)</td>
<td>MDL 233,900,000 (EUR 12,315,013)</td>
</tr>
<tr>
<td>Number of planned follow-up audits</td>
<td>10,971</td>
<td>9,367</td>
<td>8,403</td>
</tr>
</tbody>
</table>
210. From the table in the above, on average, each year during the review period the STS performed audits to over 14,480 taxpayers that were legal entities, covering 16% of the total taxpayers that were required to submit annual returns under the Tax Code. The STS confirmed that for all desktop and onsite audits, the accounting records were reviewed for each taxpayer and relevant penalties were issued where non-compliances were identified. Where the penalties were not paid by the concerned taxpayers, the STS initiated follow-up audits to investigate the reasons. During the review period, each year there was on average 9,580 follow-up audits conducted by the STS. However, among the penalties issued by the STS to the taxpayers for non-compliances identified during the review period, only 19% of them were collected, even though Moldova confirmed that the STS has been working on following up with those non-compliant taxpayers.

Conclusion

211. In Moldova, the practical implementation of the legal requirements of keeping accounting records of all relevant entities and arrangements largely relies upon the supervision and enforcement actions taken by the STS, through its monitoring of tax returns and the regular tax audits. While the supervision actions taken by the STS during the review period are robust and sufficient, there is a lack of strong and effective enforcement measures to sanction the non-compliances identified by the STS. In addition, there is a lack of sufficient supervision activities taken to companies that cease to exist to ensure their accounting information is available. Therefore, Moldova is recommended to strengthen its enforcement measures to non-compliant entities and arrangements to ensure that reliable accounting records of all relevant entities and arrangements are always available in line with the standard, including those that cease to exist.

Availability of accounting information in EOIR practice

212. During the review period, Moldova received 48 requests from exchange partnership that were related to accounting records including those relating to transfer pricing issues, transaction documents. Moldova confirmed that it was able to fully respond to the exchange partners on those requests and no issues were raised by the peers regarding the availability of accounting information in Moldova.
A.3. Banking information

Banking information and beneficial ownership information should be available for all account holders.

213. The legal and regulatory framework in Moldova generally requires the availability of banking information in accordance with the standard. Identity information, including beneficial ownership information, on all account holders and transaction records are required to be available under the AML Laws and the AML Regulation for Banks. The information and records must be kept by the banks for a period of at least five years. Identification information and records, including beneficial ownership information, of account holders are required to be reviewed and updated by the banks whenever it deems necessary, but at least annually for high-risk customers, every two years for medium-risk customers, and every three years for low-risk customers. There are also in place related enforcement rules for sanctioning the non-compliance of banks and the National Bank of Moldova (NBM) took sufficient oversight and enforcement actions to banks in Moldova, in ensuring banking information of all account holders is available as required during the review period.

214. Regarding the definition of beneficial owners in the amended AML Law of 2023, it is generally in line with the standard, containing all key elements. The BO Guidance provides for detailed guidelines on the application of the definition of beneficial owners, including “control by other means”, “joint control” and identification of beneficial owners for special or complex structures including partnerships. However, as amended AML Law came into force in July 2023 and the BO Guidance was issued after the review period, in November 2023, their effectiveness could not be assessed.

215. During the review period, Moldova received 13 requests from exchange partners that were related to banking information. Moldova fully responded to the exchange partners on those requests and no issues were raised by the peers regarding the availability of banking information in Moldova.

216. The conclusions are as follows:

Legal and Regulatory Framework: In Place

No material deficiencies have been identified in the legislation of Moldova in relation to the availability of banking information.
Practical Implementation of the Standard: Largely Compliant

<table>
<thead>
<tr>
<th>Deficiencies identified/Underlying factor</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>The definition of beneficial owners for legal persons and legal arrangements in the AML Law and the related binding guidance cover all elements of the requirements of the standard. However, as the amended AML Law came into force in July 2023 and the Beneficial Ownership Guidance was issued in November 2023, after the review period, their effectiveness could not be assessed.</td>
<td>Moldova is recommended to monitor the implementation of the amended AML Law and the newly issued Beneficial Ownership Guidance to ensure their effectiveness in practice.</td>
</tr>
</tbody>
</table>

A.3.1. Record-keeping requirements

217. All banks in Moldova are required to be registered and licensed by the NBM, and they are also supervised by the NBM under the AML legal framework. As of end of 2022, there were 11 banks licensed by the NBM in Moldova.

Availability of banking information

218. Banks are not allowed to open and maintain anonymous accounts, fictitious accounts, anonymous savings books, or to establish or continue business relationships with banks that conduct such business (Article 5(4) of the AML Law).

219. In Moldova, banks are reporting entities (AML-obliged persons) and are required to conduct CDD of their clients and maintain the related records and transactions (Article 9 of the AML Law). According to Article 87 under Chapter X of the AML Regulation for Banks, banks must retain all records and information on customers and beneficial owners, collected for CDD purposes. Those records and information include copies of identification documents, archived accounts and primary documents, business correspondence, the results of research conducted to identify any complex or unusual transactions, throughout the entire period of the business relationship with a customer. The banks should keep those records and information during their business relationship with a customer and for a period of five years after the termination of the business relationship with the clients or after the date of execution of occasional transactions (Article 9(2) of the AML Law). Such retention period may be extended for a period of less than five additional years as per request from the OPFML or the authorities with supervision functions of the reporting entities (Article 9(2') of the AML Law). In addition, Article 9 of the AML Law requires banks to keep all records on transactions to the extent that they can respond promptly to requests of the
OPFML or other supervision or law enforcement agencies. The maintained records should be sufficient to allow the reconstruction of each activity or transaction in the manner in which it is necessary to serve as evidence in criminal proceedings, contraventions and any other legal proceedings.

220. Where banks are not able to comply with the CDD requirements as required by the AML rules, they are not allowed to open the account, to establish business relationships, nor to carry out transactions with the customer. In case of an existing business relationship, the banks must terminate the business relationship if they find that the information they obtained from the customer is unauthentic (Article 5(2) and (3) of the AML Law).

Availability of beneficial ownership information on account holders

221. The standard requires that beneficial ownership information be available in respect of all bank accounts. Under the AML Law of Moldova, a bank as the reporting entity must identity the beneficial owners of the customers in the CDD procedures before establishing the business relationship (Article 5(2) of the AML Law). The BO Guidance also sets out rules to help the reporting entities to establish procedures for identifying, documenting, verifying, analysing and updating the beneficial ownership information as required under the AML Law.

222. Regarding the definition of beneficial owners for legal persons and legal arrangements, it is overall in line with the standard as discussed under Element A1.1, Element A1.2 and Element A.1.4. However, as the amended AML Law came into force in July 2023 and the BO Guidance was issued in November 2023, after the review period, their effectiveness could not be assessed. Moldova is recommended to monitor the implementation of the amended AML Law and the newly issued BO Guidance to ensure their effectiveness in practice.

223. As required by the AML Regulation for Banks, the bank must review and update the identification information for customers and their beneficial owners, depending on the associated risks. Banks can update the information (including beneficial ownership information) whenever it deems necessary, but at least annually for high-risk customers, every 2 years for medium-risk customers, and every 3 years for low-risk customers (Article 39 of the AML Regulation for Banks).

224. As discussed under Section A.1, banks are allowed to rely on CDD held by third parties to comply with the CDD requirements (Article 10 of the AML Law), even though in practice it is not a common practice in Moldova. However there are certain conditions to be met, specifically 1) the reporting entities have the possibility to obtain immediately necessary information related to the specified CDD measures owned by third parties; 2) reporting
entities must adopt and implement efficient procedures to ensure that they immediately obtain from the third party all the information related to the CDD measures, as well as copies of identification data and other documents related to these CDD measures; 3) third parties are adequately supervised and meet requirements similar to the provisions of the AML Law in Moldova; including CDD and record-keeping measures; and 4) third parties are not resident in high risk jurisdictions. The final responsibility for the implementation of the CDD measures still rests with the reporting entities in Moldova.

225. For AML-obliged persons, including banks that ceased to exist or foreign banks that ceased their operations in Moldova, Moldova confirmed that relevant documents kept by the AML-obliged persons would be transferred to the new AML-obliged persons in Moldova that take over the business of the deceased or liquidated AML-obliged persons. Where there are no persons taking over the business and the clients of an AML-obliged person that ceased to exist, such documents should be transmitted to the State Archive (Section 3.7 of the State Archive Service Order).

226. Banks that fail to comply with the AML Law and the AML Regulations for Banks may be subject to sanctions, including public statements in mass media, warning (prescript), withdrawal or suspension of authorisation or licence, temporary ban to hold management positions in the reporting entities, and pecuniary sanctions in the form of fines (Article 35(2) of the AML Law).

227. Details of sanctions to non-compliance are provided in the Law on AML/TF Infringements Detection Procedure and Means of Sanctions Application. Under Article 48 and Article 49 of this law, banks that fail to keep banking information and related records as required by the AML Law, shall be sanctioned by a warning or a fine from MDL 50 000 (EUR 2 633) to MDL 5 000 000 (EUR 263 254); or by a fine from MDL 5 000 000 (EUR 263 254) to the equivalent in MDL of the amount of EUR 5 000 000 or up to 10% of the total annual revenue, but not more than EUR 5 000 000 if there is a serious infringement.

Oversight and enforcement

228. The NBM is the authority for supervising and monitoring the application and compliance of the AML Law by banks in Moldova. As discussed under Section A.1.1, the NBM has taken various actions to inspect the compliance of the banks with the AML rules, including offsite monitoring and onsite reviews (see paragraphs 97 and 98). During the review period, among the 11 banks in Moldova, 6 received full onsite inspections and 4 received thematic onsite inspections. There were also off-site inspections to the records of selected customers of one single bank or multiple banks, including their CDD records.
229. The NBM issued warnings or imposed monetary sanctions on failure to keep the banking information of all account holders as required by the AML Law, and failure or insufficient measures taken to conduct the CDD measures. During the review period, 2 banks received written warnings and another 2 banks were fined due to non-compliance issues relating to conducting CDD measures. The concerned banks were always required to address the issues with an action plan with the NBM.

230. Overall, the NBM had taken sufficient oversight and enforcement measures to verify the availability of banking information in practice during the review period.

**Availability of banking information in EOIR practice**

231. During the review period, Moldova received 13 requests from exchange partners that were related to banking information. Moldova confirmed that it was able to fully respond to the exchange partners on those requests and no issues were raised by the peers regarding the availability of banking information in Moldova.
Part B: Access to information

232. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction who is in possession or control of such information, and whether rights and safeguards are compatible with effective EOI.

B.1. Competent authority’s ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

233. The delegated and operational competent authority in Moldova for EOI purposes is within the State Tax Service (STS). The STS has wide powers to obtain information requested under the EOI instruments, including banking information. These powers are supported by possible application of coercive measures and enforcement provisions as specified in the Tax Code and the Contravention Code.

234. A recommendation has been issued due to the scope of legal professional privilege in Moldova being broader than the standard, though this gap would have limited consequences for the exchange of information.

235. Moldova received 62 requests for ownership, accounting and banking information during the review period and no case has been identified where a failure to provide the requested information was due to any deficiency in access powers.
The conclusions are as follows:

### Legal and Regulatory Framework: In Place

<table>
<thead>
<tr>
<th>Deficiencies identified/Underlying factor</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Although Moldova informed that legal professional privilege has never been an impediment in obtaining information, Moldova’s legal professional privilege is broadly defined compared to the standard as it covers all information obtained by a lawyer for the purpose of providing legal assistance or notary acting in his/her professional capacity, rather than being restricted to communications produced for the purposes of seeking or providing legal advice or use in existing or contemplated proceedings and there are no express exceptions in the case of requests made under an EOI agreement.</td>
<td>Moldova is recommended to ensure that the scope of legal professional privilege is in line with the standard.</td>
</tr>
</tbody>
</table>

### Practical Implementation of the Standard: Compliant

No issues in the implementation of access powers have been identified that would affect EOIR in practice.

### B.1.1. Ownership, identity and banking information and Accounting information

237. The Competent Authority in Moldova for EOI purposes is within the STS being the authority responsible for tax administration. In the STS, the International Co-operation and Exchange of Information Unit within the Organisation and Monitoring of Policy Implementation Department carries out the related EOI functions. The STS has wide information gathering powers including the power to obtain information directly from taxpayers, third parties and other government authorities (e.g. NBM or the OPFML). These powers can be used also for EOI purposes.

238. Where there is an EOI request for information, the competent authority would firstly use the data from the Information System of the STS, which is the system maintained by the STS that permanently keeps the taxpayer’s information for tax administration purposes. Where the STS does not have the information in the STS’s system, it requests other authorities with which the STS has concluded inter-agency agreements for co-operation: the PSA, NBS, Border Police, National Social Insurance House and National Anticorruption Centre, etc. These agreements enable the STS to
access several public registers, including the Real Estate Cadastre, State Register of Transport, State Register of Legal Entities and State Register of the population. The main sources of information that the STS relies upon for EOI include the State Register of Legal Entities, Real Estate Cadastre, State Register of Transport, State Tax Register, as well as annual statements or financial reports submitted to the STS or NBS.

239. Article 134 of the Tax Code provides for the general access powers of the STS to summon any persons to give evidence or submit documents that are relevant for the tax administration, as well as to achieve the purpose of international treaties as per Article 226(1) of the Tax Code. The STS can also request financial institutions (including their branches or subsidiaries) to provide their clients’ information.

240. There are no limitations such as domestic tax interest, criminal tax matters, *de minimis* threshold, or existence of an ongoing examination, on the STS’ powers to access information, except for the information or records that are deemed to be state secrets under the current laws in Moldova. The state secret represents the information protected by the state in the field of national defence, economy, science and technology, foreign relations, state security, law enforcement and the activity of public authorities when the unauthorised disclosure of this information is likely to harm the interests and/or security of Moldova (Article 1 of the Law on State Secret). The definition of the state secret appears similar as the concept of “public order” and then compatible with the standard. Moldova has informed that the state secret has never been applied for EOI purposes.

241. Regarding banking information, under Article 134(16) of the Tax Code, financial institutions, including banks, are obliged to submit information requested by the STS to perform its duties, including exchange of information with tax administrations of other states or international organisations (Article 133(1)23) of the Tax Code). The Moldovan authorities indicate that the word “state” captures both countries and jurisdictions, and they have exchanged information with both countries and jurisdictions in practice. In case of refusal to provide the information, the STS may audit the financial institutions to obtain information for EOIR purposes. On the other hand, according to Article 226(5) of the Tax Code, the STS may issue summons to the financial institutions to submit the documents or information that are relevant for the tax administration. Within three working days of the receipt of the summons, the financial institutions must ensure the collection of all documents they hold for the taxpayer’s bank account and operations carried in that account for the period(s) subject to examination and submit them to the STS. This is done through an Automated Information System for Creating and Circulating Electronic Documents (AIS CCED) among the STS, the NBM, payment service providers and other law enforcement agencies.
The STS also maintains a register for payments and bank accounts of individuals and legal entities and has information on all bank and/or payment accounts held by the taxpayers. The STS can access the information on bank/payment accounts of foreign individuals and legal entities which do not have tax liabilities in Moldova and are not included in the STS’s register, through the AIS CCED. Banks are obliged to inform on the same day the STS of the opening of bank accounts and/or payments accounts through the automated system of AIS CCED (Article 167 of the Tax Code). This allows the competent authority to know which bank to approach when it receives a request for banking information even where the request does not indicate the name of the bank or indicates only the bank account number.

During the review period, Moldova received 1 request that was related to ownership information, 48 requests to accounting information and 13 requests to banking information. Moldova confirmed that in most cases the EOI team asked the Compliance Department to collect the information from the taxpayers or third-party information holders, and they did not encounter any difficulties in using access power to collect the information from relevant persons for responding to the EOI requests received from exchange partners.

**B.1.3. Use of information gathering measures absent domestic tax interest**

The concept of “domestic tax interest” describes a situation where a contracting party can only provide information to another contracting party if it has an interest in the requested information for its own tax purposes.

The STS’s access powers stipulated in the Tax Code (Article 134(1)) may be used for EOI purposes regardless of domestic tax interest as obligations under international treaties represent one of the purposes for which access powers are granted under the Tax Code. If an international treaty stipulates other rules and provisions than those stated in the tax legislation, the rules of the treaty shall apply (Article 4 of the Tax Code).

The Regulation “On the Exchange of Tax Information”, Order No. 411 of 24 September 2019 (internal EOI Regulation) also articulates that the provisions of international treaties prevail over the tax legislation of Moldova and the provisions of the international treaties concluded by Moldova are interpreted by using the commentary of the OECD Model Tax Convention (Article 6 of the internal EOI Regulation). It provides an additional layer of obligation to provide the requested information regardless of domestic tax interest for treaties which contain wording akin to Article 26(4) of the OECD Model Tax Convention. This is the case for all but 5 EOI relationships of Moldova (see Element C.1.4 below).
Moldova also confirmed that most of the requests received did not have any domestic tax interest and those requests were responded without any issues. Peers did not raise any concerns in this respect.

**B.1.4. Effective enforcement provisions to compel the production of information**

Jurisdictions should have in place effective enforcement provisions to compel the production of information. Moldova has enforcement provisions to compel the production of information where a person does not provide the information requested, under the Tax Code and the Contravention Code. The tax authority can exercise search and seizure powers. Also, there are administrative and criminal sanctions available to the tax authority in case of non-compliance with obligation to provide the requested information.

A taxpayer or any person that fails to provide information and documents as required by the STS during the tax audits, including audits for EOI purposes, is liable to a fine from MDL 4 000 (EUR 211) to MDL 6 000 (EUR 316) (Article 253(1) of the Tax Code). This may also trigger an unscheduled tax audit to the taxpayer, during which the STS will verify compliance, assess additional tax liabilities and apply additional penalties. For the requests of banking information, failure to comply with the bank summons’ requirements will be sanctioned with a fine of MDL 5 000 (EUR 263). These sanctions do not apply if the persons submit justifying documents on the impossibility of their submissions to the STS (Article 253(5) and (5') of the Tax Code).

The STS also has the power, under Article 145 of the Tax Code, to seize documents from a taxpayer regardless of their belonging and location where the documents would otherwise disappear or there is a need to document the tax infringement or in case of examination of criminal cases for tax evasion. Moldova confirmed that such seizure power can also be used for EOI purposes, although this was not necessary and has not ever been used in practice.

In addition, according to Article 71 of the Contravention Code, intentional violation of the legal provisions regarding the access to information would be subject to a fine from MDL 450 (EUR 24) to MDL 750 (EUR 39) to a natural person, and with a fine from MDL 900 (EUR 47) to MDL 1 500 (EUR 79) to a person who is granted certain rights and obligations on the actions of legal entity. Submission of a response with erroneous data upon request of the government authorities is sanctioned with a fine from MDL 1 350 (EUR 71) to MDL 1 650 (EUR 87) to the person.
During the review period, there were no cases where taxpayers or information holders failed to comply with the requirements from the STS for EOI purposes, thus no sanctions had ever been imposed.

**B.1.5. Secrecy provisions**

Jurisdictions should not decline on the basis of secrecy provisions (e.g. bank secrecy, corporate secrecy) to respond to a request for information made pursuant to an exchange of information mechanism.

**Bank secrecy**

Bank secrecy provisions in Law on Activity of Banks require banks to keep their customers’ information and records confidential, e.g. account balances and related transactions (Article 96(1)). However, information considered to be subject to bank secrecy can still be provided by the banks to the extent that providing such information is justified by the purposes as required by law. Banks will not be considered as breaching the obligations of bank secrecy if the information is provided upon the written requests from public authorities that are empowered by laws for purposes of fulfilling their duties (Article 97). This includes the case where the STS requires the banks to provide banking information for EOIR purposes. Although Article 134(16) of the Tax Code enables the STS to request documents held by banks, Moldova has informed that banking information is provided to the STS insofar based on Article 97 of the Law on the Activity of Banks. These provisions on bank secrecy and the related exceptions are in line with the standard.

Moldova has informed that there were no cases in which bank secrecy was an impediment in obtaining the information. Representatives from the banking sector of Moldova also informed that they are aware of the obligations to provide the information requested by the STS for EOI purposes.

**Professional secrecy**

Moldovan laws on lawyers contain secrecy provisions which are not overridden by access powers stipulated under the Tax Code.

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17. Banks may also provide such information for purpose of the implementation of the Foreign Accounts Tax Compliance Act (FATCA) agreement signed between the United States and Moldova, or provide the information to the STS in accordance with the provisions and within the limits of the Multilateral Agreement of Competent Authorities for Automatic Exchange of Information on Financial Accounts (Article 97 of the Law on the Activity of Banks).
256. Legal professional privilege of lawyers covers all information, any type of data, any form and any medium as well as any documents drafted by the lawyer, which contain information or data provided by the client, or those based on them, for the purpose of providing legal assistance, and whose confidentiality has been requested by the client (Article 58(5) of the Statute of the Lawyer Profession). The obligation of lawyers to maintain professional secrecy extends to all forms of the lawyer’s profession and to lawyer’s employees and trainees (Article 58(4) of the Statute of the Lawyer Profession). The disclosure of information subject to professional secrecy by the lawyer constitutes a serious disciplinary violation (Article 58(3) of the Statute of the Lawyer Profession). According to Article 55 of the Law on Lawyers, a lawyer is not allowed to disclose or transmit to third parties confidential information that has become known to the lawyer during the provision of legal assistance without the client’s consent.

257. The legal assistance, under the Law on Lawyers, includes providing consultations, explanations, and conclusions on legal issues, presenting verbal or written information on legislation, drawing up legal documents, representing clients’ interests in the courts, carrying out fiduciary activity (Article 8 of the Law on Lawyers).

258. There are no express exceptions in the laws regarding lawyers about the case of requests made under an EOI agreement. The Tax Code provides the STS with rights to request and receive necessary information for their duties, including for responding to an information request under an EOI agreement (Article 134(1)2) of the Tax Code). In practice, the STS has never asked the lawyers to provide the information related to an EOI request, but the private sector confirmed during the onsite visit that they would provide such information if available to the STS as per the Tax Code rules.

259. There is a concern regarding the scope of legal professional privilege. As mentioned above, the professional secrecy covers all information and data of any type in any form and on any medium, as well as any documents drafted by the lawyers which contain information or data provided by the clients or are based on them for the purposes of providing legal assistance. As confirmed by the private sector during the onsite visit, the legal assistance in practice includes, for instance, assisting in setting up a company or opening a bank account in Moldova, that going beyond the scope of professional secrecy as allowed by the standard, which is restricted to communications produced for the purposes of seeking or providing legal advice or use in existing or contemplated legal proceedings (as described in Article 7(3) of the OECD Model TIEA and Article 26(5) of the OECD Model Tax Convention, and their commentaries).
260. Legal professional privilege may have limited impact on exchange of information since lawyers are generally not a source of information. However, a lawyer may be the sole source of information if he/she administers a foreign trust, even though representatives from the private sector confirmed during the onsite visit that administering foreign trusts was not a usual business for lawyers in Moldova and practically did not exist in Moldova, even though theoretically it is possible.

261. The Law on the Organisation of the Notaries’ Activity also contains a secrecy provision, covering information regarding notarial acts and the facts that have become known to the notary within his/her activity, regardless of the way of obtaining or source of information, including after the cessation of the activity (Article 7(1)). The notary may provide the information held in certain cases, including where there is a written consent of the client (Article 7(5)) but there is no express exception for the case of requests made to the Moldovan authorities under an EOI agreement. Moldova implied that the STS may use information provided by a notary when it determines the amount of tax liabilities under the Tax Code, but it is uncertain whether the STS is able to access the information held by notaries protected by secrecy provisions for EOI purposes, even though representatives of the notaries confirmed that in practice it is possible for them to provide such information.

262. During the review period, there were no requests where the STS had to contact the lawyers or notaries for obtaining the information, however, Moldova’s legal professional privilege is broadly defined compared to the standard as it covers all information obtained by a lawyer for the purpose of providing legal assistance or notary acting in his/her professional capacity, rather than being restricted to communications produced for the purposes of seeking or providing legal advice or use in existing or contemplated proceedings and there are no express exceptions in the case of requests made under an EOI agreement. Therefore, Moldova is recommended to ensure that the scope of legal professional privilege is in line with the standard.

B.2. Notification requirements, rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

263. The Moldovan law does not require the notification of the person who is the object of an EOI request, either before or after the information is exchanged. There are also no rules regarding rights and safeguards that may unduly prevent or delay effective exchange of information. Moldova also informed that during the review period, they had not encountered any
appeals against the request of information to taxpayers and information holders for EOIR purposes.

264. The conclusions are as follows:

**Legal and Regulatory Framework: In Place**

The rights and safeguards that apply to persons in Moldova are compatible with effective exchange of information.

**Practical Implementation of the Standard: Compliant**

The application of the rights and safeguards in Moldova is compatible with effective exchange of information.

**B.2.1. Rights and safeguards should not unduly prevent or delay effective exchange of information**

**Notification**

265. Rights and safeguards should not unduly prevent or delay effective exchange of information. For instance, notification rules should permit exceptions from notification of the taxpayer concerned prior to the exchange of information requested (e.g. in cases in which the information request is of a very urgent nature or the notification is likely to undermine the chance of success of the investigation conducted by the requesting jurisdiction).

266. Moldovan law does not require notification of the taxpayer concerned of the existence of an EOI request, either prior or after providing the requested information to the requesting jurisdiction and the STS does not need the taxpayer’s consent to provide information to requesting jurisdictions (Article 134(1) of the Tax Code). The request for information to the taxpayer includes a minimum amount of information necessary to respond to the request. The STS officials do not inform a taxpayer concerned or third-party information holder that the requested information is required by a foreign jurisdiction. The full request from the requesting jurisdiction is not shared with the taxpayer concerned under any circumstances. In case information requested must be obtained from a third-party information holder, the STS requests the information pursuant to the Tax Code (Article 134) which enables the STS to request and receive information from any person necessary for the performance of its duties including exchange of information. In practice, Moldova confirmed that the third-party information holders such as banks would not notify the taxpayers concerned as only limited information about the request will be disclosed to them, and this is not a known practice in Moldova. Also, the requested information is transferred
from the third-party information holders, e.g. banks, through the automated system of AIS CCED (as discussed in Paragraph 240) on which the STS has already access to certain banking information, including the accounting opening information, payment information, etc.

**Appeal rights**

267. In Moldova, the person concerned who is dissatisfied with a decision or an action taken by the STS or considers his/her right or legitimate interest are damaged by them may appeal against the decision or action taken by the STS, including the exercise of access powers for EOI purposes (Article 267 of the Tax Code, Article 209 of the Administrative Code and Article 21(1) of the Law on Access to Information). In principle, an appeal against the STS’s decision or tax official’s action must be submitted to the STS within 30 days from the date of the decision or action and it must be examined by the STS within 30 days from the date of the receipt, and in the event of disagreement with a decision issued by the STS on the appeal, the person is entitled to appeal to the court (Articles 268 and 269 of the Tax Code). Under the Administrative Code, the appeal must be submitted to a court within 30 days from the decision. The dispute against the STS regarding the refusal to provide certain categories of information is examined by the administrative contentious court. The person concerned has the right to file an appeal against the decision of the administrative contentious court that will be examined by panel specialised for administrative contentious disputes, and the person may subsequently file an appeal to the Supreme Court of Justice. EOI is carried out as long as a final and enforceable decision is not issued in this respect by the court.

268. If no certain period is given for the appeal procedure in laws, the competent public authorities, including the STS and courts, must act within a reasonable time (Article 27 of the Administrative Code). Therefore, appeal rights granted under Moldovan laws have potential to delay exchange of information subject to the decision of the court, however, they appear not be excessive or designed to unduly prevent or delay exercise of access powers or exchange of information. Moldova informed that during the review period, they had not encountered any appeals against the request of information to taxpayers and information holders for EOIR purposes.
Part C: Exchange of information

269. Sections C.1 to C.5 evaluate the effectiveness of Moldova’s network of EOI mechanisms – whether these EOI mechanisms provide for exchange of the right scope of information, cover all Moldova’s relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, whether Moldova’s network of EOI mechanisms respects the rights and safeguards of taxpayers and whether Moldova can provide the information requested in an effective manner.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should provide for effective exchange of information.

270. Jurisdictions generally cannot exchange information for tax purposes unless they have a legal basis or mechanism for doing so. In Moldova, the legal authority to exchange information is currently derived from DTCs and the Multilateral Convention (in force in Moldova since 2012).

271. Moldova has an extensive EOI network covering 152 jurisdictions through 49 DTCs, a regional instrument\(^\text{18}\) and the Multilateral Convention (see Annex 2). All of Moldova’s EOI instruments are in force except for one DTC which is nevertheless already ratified by Moldova and the signing partner is a signatory to the Multilateral Convention. Most of the DTCs are signed with jurisdictions participating in the Multilateral Convention. 5 other

\(^{18}\) Moldova is a Party to the Agreement between Member States of the Commonwealth of Independent States on Co-operation and Mutual Assistance on Issues of Compliance with the Tax Legislation and Combating Violations in this Area, dated 4 June 1999 (CIS Agreement), entered into force in Moldova on 10 August 2001. The agreement, although not based on the Model DTC, follows the standard. All CIS member states also have a DTC or both DTC and the Multilateral Convention with Moldova and Moldova informed that the CIS Agreement is not applied as legal instrument for EOIR purposes in practice.
DTCs\textsuperscript{19} are not in line with the standard and do not contain language similar to Article 26(5) of the OECD Model Tax Convention that explicitly provides for the obligations of the contracting parties to exchange information held by financial institutions, nominees, agents and ownership and identity information. Out of these 5 jurisdictions, Moldova does not have regular exchanges with Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan; however, Belarus is one of the most significant EOIR partners for Moldova. Moldova has informed that Protocols related to these 5 DTCs are under negotiation with its partners.

272. In practice, the competent authority has implemented the provisions of Moldova’s exchange agreements in line with the standard.

273. The conclusions are as follows:

\textbf{Legal and Regulatory Framework: In Place}

\begin{tabular}{|l|}
\hline
\textbf{No material deficiencies have been identified in the EOI mechanisms of Moldova.} \\
\hline
\end{tabular}

\textbf{Practical Implementation of the Standard: Compliant}

\begin{tabular}{|l|}
\hline
\textbf{No issues have been identified that would affect EOIR in practice.} \\
\hline
\end{tabular}

\textbf{Other forms of exchange of information and assistance}

274. Moldova receives information in the form of spontaneous exchange of information and engages in assistance in recovery of tax claims under the Multilateral Convention. In addition, Moldova has also committed to implement the Standard for the automatic exchange of financial account information, with first exchanges commencing in September 2024.

\textbf{C.1.1. Standard of foreseeable relevance}

275. The standard for exchange of information envisages information exchange to the widest possible extent, but does not allow speculative requests for information that have no apparent nexus to an open inquiry or investigation (i.e. “fishing expeditions”). Exchange of information mechanisms should allow for exchange of information on request where it is foreseeable relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction.

\textsuperscript{19} These jurisdictions are Belarus, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.
276. The Multilateral Convention and all of Moldova’s DTCs containing articles for EOIR purposes provide for exchange of information that is “foreseeably relevant”, “relevant” or “necessary” to the administration and enforcement of the domestic laws of the contracting parties concerning taxes covered in the DTCs. The OECD Model Tax Convention recognises in its commentary to Article 26 that the terms “necessary” and “relevant” allow the same scope of exchange of information as does the term “foreseeably relevant”.

277. According to the internal EOI Regulation, the request received is verified to check whether the information is necessary or foreseeably relevant, and the Moldovan authorities interpret the DTCs based on the commentary of OECD Model Tax Convention (Article 79(1) of the Tax Code and Article 16(d) of the internal EOI Regulation). Therefore, the scope of these DTCs is consistent with the standard.

Clarification and foreseeable relevance

278. Moldova requires that the requesting jurisdiction provide sufficient information to demonstrate the foreseeable relevance of the information requested. The internal EOI Regulation, which is mandatorily followed by the STS officials, includes a template that captures identity information details, tax purpose of the request and a brief description of the case, and the time period for which the information is requested. If the information provided is insufficient, the requesting party must be informed in writing of the need to provide additional details in order to proceed with the processing of the request.

279. The template that the STS officials follow to check the issue of foreseeable relevance requires identity information on both the taxpayer concerned in the requesting jurisdiction and the Moldovan taxpayers concerned. While the identity information will be available to the requesting jurisdiction in most cases, it happens that the requesting authority does not know who in Moldova maintains the requested information and it is important that the Moldovan authorities do not decline the request in these cases. Similarly, the taxpayer concerned may be identified other than by way of name and the request should not be automatically rejected in these cases. Moldova informed that the STS would not decline an inbound request just because the requesting jurisdiction did not provide the name and address of Moldovan taxpayers or the person believed to be in possession of the information, as long as other information is sufficient to identify the taxpayer or the information holder.

280. During the review period, Moldova received a request which was suspected of being a fishing expedition and not meeting the requirements of
foreseeable relevance. Moldova did not decline the request right away, but asked for more information from the exchange partner which however has never responded to this case despite a follow-up to the partner within the next six months. Moldova then considered this case to be declined with valid reasons, i.e. lack of foreseeable relevance. The other request was related to the taxpayers in Transnistria region, a strip of land between the Dniester River and the eastern Moldovan border with Ukraine, which is not controlled by the Moldovan government.

Group requests

281. Moldova’s EOI agreements and domestic law do not contain language prohibiting group requests. The internal EOI Regulation does not have specific procedures for group requests. The procedures for responding to group requests follow those applicable to individual requests. Hence, there is no guidance in respect of how officials are to handle group requests and how their foreseeable relevance is to be examined. Moldova confirmed that in practice, compared with non-group requests, more information would be needed from the requesting jurisdictions to check if the group requests received are foreseeable relevant. Some EOI officials at the STS appear to have good understanding of the requirements of the standard on this matter. However, without specific procedures in the guidance for handling group requests, the STS officials may not always be able to correctly verify the foreseeable relevance of a group request considering its special characteristics, hence hindering the effective exchange of information. Moldova should update its internal EOI Regulation with procedures for handling group requests to ensure effective EOI in practice (See Annex 1).

282. During the review period, Moldova received 5 group requests from exchange partners and did not encounter any difficulties in verifying their foreseeable relevance and providing the information as requested.

C.1.2. Provide for exchange of information in respect of all persons

283. For exchange of information to be effective, it is necessary that a jurisdiction’s obligation to provide information is not restricted by the residence or nationality of the person to whom the information relates or by the residence or nationality of the person in possession or control of the information requested. For this reason, the standard envisages that exchange of information mechanisms will provide for exchange of information in respect of all persons.
284. Out of Moldova’s 49 DTCs containing articles for EOIR purposes, 8 DTCs do not explicitly provide that the EOI provision is not restricted by Article 1 (Persons Covered). However, seven of the partner jurisdictions with which Moldova concluded DTCs are also signatories to the Multilateral Convention, which provides for EOI in respect of all persons. Regarding the EOI relation with Uzbekistan, the DTC restricts exchange to information that is necessary for carrying out the provisions of domestic laws of the contracting parties concerning taxes covered by these EOI agreements. Moldova has informed that the Protocol for amending existing DTC with Uzbekistan is under negotiation. Moldova confirmed that to the extent that domestic laws are applicable to residents and non-residents, information can be exchanged under these EOI agreements in respect of all persons, including non-residents.

C.1.3. Obligation to exchange all types of information

285. Jurisdictions cannot engage in effective exchange of information if they cannot exchange information held by financial institutions, nominees or persons acting in an agency or a fiduciary capacity (see Article 26(5) of the OECD Model Tax Convention).

286. Out of Moldova’s 49 DTCs, only 11 DTCs contain language akin to the Article 26(5) of the OECD Model Tax Convention, explicitly providing for the obligations of the contracting parties to exchange information held by financial institutions, nominees, agents and ownership and identity information. Nevertheless, the absence of this language from the other 38 DTCs does not automatically create restrictions on exchange of bank information. The exchange of bank information in the absence of language akin to the Article 26(5) of the OECD Model Tax Convention in respect of the 38 DTCs will be subject to reciprocity and will depend on the domestic limitations (if any) in the laws of some of these treaty partners. There is no limitation in Moldova on the types of information that could be accessed and exchanged. In addition, 33 out of these 38 jurisdictions are covered by the Multilateral Convention, which ensures that conforms to the standard.

287. The pre-2005 wording of DTCs may be a concern in respect of the 5 jurisdictions not covered by the Multilateral Convention, as they are non-Global Forum members and/or they have not yet undergone peer reviews. They may have legal restrictions to access bank information for EOI purposes under their domestic laws. Moldova has informed that protocols to these 5 DTCs are under negotiation.

20. These are the DTCs with Bulgaria, Japan, Kazakhstan, Poland, Russia, Türkiye, Ukraine and Uzbekistan.

21. These jurisdictions are Belarus (which joined the Global Forum in 2021) and Uzbekistan (which joined the Global Forum in 2022), and Kyrgyzstan, Tajikistan and Turkmenistan which are not Global Forum members.
C.1.4. Absence of domestic tax interest

288. The concept of “domestic tax interest” describes a situation where a contracting party can only provide information to another contracting party if it has an interest in the requested information for its own tax purposes. An inability to provide information based on a domestic tax interest requirement is not consistent with the standard. Contracting parties must use their information gathering measures even though invoked solely to obtain and provide information to the other contracting party.

289. There are no domestic tax interest restrictions on Moldova’s powers to access information in EOI cases. Out of Moldova’s 49 DTCs, 11 DTCs contain provisions similar to Article 26(4) of the OECD Model Tax Convention, which obliges the contracting parties to use their access powers to obtain and provide information to the requesting jurisdiction even in cases where the requested party does not have a domestic tax interest in the requested information. In addition, 33 DTCs are complemented by the Multilateral Convention that meets the standard. Wording of the remaining 5 DTCs may be a concern because EOI in Moldova is subject to reciprocity and will depend on the domestic limitations (if any) in the laws of its treaty partners. Moldova has informed that protocols to these 5 DTCs are under negotiation.

C.1.5. and C.1.6. Civil and criminal tax matters

290. Information exchange may be requested both for tax administration purposes and for tax prosecution purposes. The principle of dual criminality provides that assistance can only be provided if the conduct being investigated (and giving rise to an information request) would constitute a crime under the laws of the requested jurisdiction if it had occurred in the requested jurisdiction. In order to be effective, exchange of information should not be constrained by the application of the dual criminality principle.

291. All of Moldova’s EOI instruments provide for exchange of information in both civil and criminal tax matters. In addition, there are no such provisions in any of Moldova’s EOI instruments (or domestic law) which would indicate that a dual criminality principle would restrict EOI for tax purposes.

292. In practice, Moldova received requests from exchange partners which were related to criminal tax matters and Moldova confirmed that they had encountered no issues to respond to such requests.

22. These are the DTCs with Belarus, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.
C.1.7. Provide information in specific form requested

293. In some cases, a contracting party may need to receive information in a particular form to satisfy its evidentiary or other legal requirements. Such formats may include depositions of witnesses and authenticated copies of original records. Contracting parties should endeavour as far as possible to accommodate such requests. The requested party may decline to provide the information in the specific form requested if, for instance, the requested form is not known or permitted under its law or administrative practice. A refusal to provide the information in the form requested does not affect the obligation to provide the information.

294. There are no restrictions in Moldova’s EOI agreements or domestic laws that would prevent it from providing information in a specific form, and during the review period, Moldova had not been asked to provide information in a specific form.

C.1.8. and C.1.9. Signed agreements should be in force and be given effect through domestic law

295. Exchange of information cannot take place unless a jurisdiction has EOI arrangements in force. Where EOI arrangements have been signed, the international standard requires that jurisdictions must take all steps necessary to bring them into force expeditiously.

296. All Moldova’s EOIR instruments are in force, except for one protocol to existing DTC which is nevertheless already ratified by Moldova and have been given effect through domestic law. The Law No. 595/1999 on International Treaties (Law on International Treaties) stipulates these processes and to implement the Law, the Regulation on the mechanism of the conclusion, application and termination of international treaties approved by the Government Decision No. 442/2015 exists. According to the Regulation, after the signing procedure is completed, the Ministry of Finance sends the set of documents including a law necessary for ratification of the DTC to the Ministry of Foreign Affairs and European Integration for examination and then it will be presented to the Parliament, which is responsible for ratifying the DTC. The instrument of ratification will be signed by the President of Moldova (Article 17 of the Law on International Treaties). The Ministry of Foreign Affairs and European Integration of Moldova shall notify the other Contracting Party or the depositary of the international treaty about the fulfilment of the conditions necessary for the entry into force of the treaty and exchange the appropriate documents or send them to the depositary (Article 18 of the Law on International Treaties). The ratification process of the CIS Agreement and the Multilateral Convention is the same as that of a DTC. Therefore, Moldova has in place the legal and regulatory framework to give effect to its EOI mechanisms.
297. The table below summarises outcomes of the analysis under Element C.1 in respect of Moldova’s bilateral EOI mechanisms.

### EOI mechanisms

| Total EOI relationships, including bilateral and multilateral or regional mechanisms | 152 |
| In force | 147 |
| In line with the standard | 142 |
| Not in line with the standard | 5<sup>a</sup> |
| Signed but not in force | 5<sup>b</sup> |
| In line with the standard | 5 |
| Not in line with the standard | 0 |

| Total bilateral EOI relationships not supplemented with multilateral or regional mechanisms<sup>23</sup> | 5 |
| In force | 5 |
| In line with the standard | 0 |
| Not in line with the standard | 5<sup>c</sup> |
| Signed but not in force | 0 |

**Notes:**

- a. Belarus, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.
- b. The Multilateral Convention is not yet in force in Gabon, Honduras, Madagascar, Philippines and Togo.
- c. Belarus, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

298. Out of the 49 DTCs of Moldova, 44 are complemented by the Multilateral Convention and 5 are with countries which have not signed the Multilateral Convention, i.e. Belarus, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. These 5 DTCs are not in line with the standard. The missing safeguards (Article 26(4) and (5) of the OECD Model Tax Convention) of these DTCs have been discussed in sections C.1.3 and C.1.4.

### C.2. Exchange of information mechanisms with all relevant partners

The jurisdiction’s network of information exchange should cover all relevant partners, meaning those jurisdictions who are interested in entering into an information exchange arrangement.

299. Moldova has an extensive EOI network covering 152 jurisdictions through 49 DTCs and through the Multilateral Convention which expands Moldova’s EOI network based on DTCs by 105 jurisdictions. Moldova’s EOI

23. As mentioned in the above, Moldova confirmed that the CIS Agreement that entered into force in Moldova in 2001 has not been used as a legal instrument for EOIR purposes in practice.
network covers a wide range of counterparties including its main trading partners, all OECD members and all G20 countries.

300. Moldova has in place an ongoing programme for negotiation of EOI agreements and is currently negotiating protocols to existing DTCs and new DTCs. Moldova has informed that they try to ensure that the protocols and new DTCs in ongoing negotiations are in line with the standard.

301. No Global Forum members indicated, in the preparation of this report, that Moldova refused to negotiate or sign an EOI instrument with it. As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such relationship, Moldova should continue to conclude EOI agreements with any new relevant partner who would so require (see Annex 1).

302. The conclusions are as follows:

**Legal and Regulatory Framework: In Place**

*The network of information exchange mechanisms of Moldova covers all relevant partners.*

**Practical Implementation of the Standard: Compliant**

*The network of information exchange mechanisms of Moldova covers all relevant partners.*

**C.3. Confidentiality**

The jurisdiction’s information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

303. Moldova’s EOI instruments contain the necessary confidentiality provisions for safeguarding all information regarding exchange of information. Such information is to be shared only with authorities and persons covered by the DTCs, the CIS agreement and the Multilateral Convention. Such confidentiality also extends to other information exchanged between the Competent Authorities. Moldova’s laws and administrative regulations ensure that information received under an EOI mechanism is treated as confidential and is disclosed only to the extent permitted by the agreements.

304. In practice, the STS has encountered no cases of breach of confidentiality and peers have not raised any concerns in this regard.
305. The conclusions are as follows:

**Legal and Regulatory Framework: In Place**

| No material deficiencies have been identified in the EOI mechanisms and legislation of Moldova concerning confidentiality. |

**Practical Implementation of the Standard: Compliant**

| No material deficiencies have been identified and the confidentiality of information exchanged is effective. |

### C.3.1. Information received: disclosure, use and safeguards

**Legal requirements**

306. Governments would not engage in information exchange without the assurance that the information provided would only be used for the purposes permitted under the EOI instrument and that its confidentiality would be preserved. Information exchange instruments must therefore contain confidentiality provisions that spell out specifically to whom the information can be disclosed and the purposes for which the information can be used. In addition to the protections afforded by the confidentiality provisions of information exchange instruments, jurisdictions with tax systems generally impose strict confidentiality requirements on information collected for tax purposes.

307. All of Moldova’s EOI instruments have confidentiality provisions modelled on Article 26(2) of the OECD Model Tax Convention to ensure that the information exchanged will be disclosed only to persons authorised by the agreements.

308. The Terms of Reference, as amended in 2016, clarified that although it remains the rule that information exchanged cannot be used for purposes other than tax purposes, an exception applies where the EOI agreement provides that the information may be used for such other purposes under the laws of both contracting parties and the competent authority supplying the information authorises such use of exchanged information. The Multilateral Convention provides for this possibility. Moldova informed that there were no requests wherein the requesting partner sought Moldova's consent to use the information for non-tax purposes and similarly Moldova did not request its partners to use information received for non-tax purposes.

309. Under Moldovan domestic laws, the STS and tax officials have obligation to keep secrets protected by law and not to disclose the information
obtained during the duties (Article 136, 18) of the Tax Code). Any information received by the STS is treated as a secret and tax officials are prohibited from disclosing data and information constituting the secret which the tax official becomes aware of, both in the course of exercising their duties as well as after resignation or retirement (Article 226(11) and (12) of the Tax Code). There are a few exceptions which allow such information to be disclosed to prosecution and judicial court for the purpose of examining tax evasion cases and these authorities shall use the information for this purpose only. Administrative sanctions, including warning, reprimand, suspension of promotion, demotion and dismissal apply if information is disclosed in breach of this confidentiality duty (Articles 57 and 58 of the Law No. 158/2008 on the Civil Service and the Status of the Civil Servant). Breach of confidentiality provisions under the Tax Code will also be subject to penalties (Article 107 of the Contravention Code). The disclosure of information including secrets by a civil servant or by a person to whom this information has been entrusted or has become known in connection with his/her service shall be sanctioned with a fine from MDL 1 500 to MDL 3 000 (EUR 79 to EUR 158) applied to the natural person or with a fine from MDL 4 500 to MDL 7 500 (EUR 237 to EUR 395) applied to persons other than natural persons.

310. The provisions of international treaties prevail over the domestic legislation (Article 4(1) of the Tax Code) and the STS uses the commentary on the OECD Model Tax Convention for the interpretation of the provisions of the treaties concluded with other states (Article 6 of the internal EOI Regulation).

311. The Regulation “On the Mechanism for Applying the Provisions of the International Treaties of the Republic of Moldova in the field of mutual administrative assistance in tax matters” approved by Government Decision No. 1275 of 26 December 2018 also states that the exchange of information is subject to confidentiality rules in accordance with the provisions of the treaty.

**Practical implementation**

312. There are administrative procedures and rules applicable in Moldova to ensure that the information exchanged pursuant to an EOI agreement is treated as confidential and that only authorised officials have access to it. Such procedures and rules are specified in the STS Order No. 370 of 30 June 2021 and amended later by STS Order No. 658 of 30 December 2021, including the procedures that the HR Department should follow to notify the Information Development Department and Finance Department regarding the access rights of newly hired employees or contractors.
During the hiring process, the STS performs background checks for employees and contractors, including staff of the International Co-operation and Exchange of Information Unit and tax auditors who may have access to, use or are responsible for protecting data received through EOI as required by domestic laws. Background checks include the verification of criminal records and financial records. Confidentiality agreements are to be concluded with tax officials involved in the exchange of information process as per the requirements of the internal rules of the STS. The STS also has relevant training and awareness programmes regarding the protection of confidential information, including data received from partners under international agreements. There are relevant departure policies and procedures for terminating access to confidential information for departing employees and contractors of the STS.

The STS Order No. 151 of 14 April 2022 on the approval of the Regulation on regulating access to the headquarters of the STS has provided relevant physical control procedures for the premises of the STS where tax information is processed and stored. All employees of the STS have access cards, which are checked by security guards when entering the STS office premises. Visitors need to exchange their identification cards or passports with access cards to enter a specific floor in the main building. At the office building, there are automatic barrier gates with security guards monitoring the people entering the building, whilst in office areas without automatic barrier gates, the security guards at the entrance will check the employees’ access cards or a visitor’s identification card or passport together with an access card that mentions which floor that person can access. In addition, external areas of the office buildings are monitored by CCTV cameras and 24/7 security guards. The EOI office has tighter access controls with keypads at the entry points. EOI information is stored in the safe box of the secured rooms for the EOI office.

The STS confirmed that for EOI purposes, the exchanges under international agreements are conducted either by encrypted emails or in hard copies by registered mails. There are safeguard procedures in place to ensure that there is appropriate access and use of information exchanged under the international agreements, that is maintained in paper forms. The internal EOI Regulation of the STS sets out the procedures for handling and use of the information received from other jurisdictions in line with the confidentiality requirements of the international agreements, including the storage arrangements, logging requirements and archiving and destruction of the hard copies of the confidential data in line with the STS Order No. 283 of 22 August 2018 regarding the approval of the Information Security Policy of the STS. Documents containing exchanged information are clearly stamped or labelled on each page of the document with the warning that “this information is furnished under the provisions of a tax treaty and its...”
use and disclosure must be governed by the provisions of such tax treaty”, in addition to the general label of “Information with limited accessibility” (Article 8 of the internal EOI Regulation).

316. Information covered by confidentiality rules is maintained in electronic form and kept in the system of the STS called “Synapsis”. The EOI data is kept separately from other taxpayer information in Synapsis and access to such information is restricted to the EOI officials only. Verifications are also carried out by the information security team randomly or upon request to ensure that the persons given access rights to certain database of the Synapsis are appropriate and up to date.

317. The STS constantly monitors the confidentiality breaches. Where a non-compliance activity or information security incident is identified, the information security team will carry out an investigation and relevant findings will be directly reported to the Director of the STS. Then, relevant materials will be submitted to the STS Disciplinary Commission and where applicable to the National Centre for Personal Data Protection for further examination.

318. During the review period, the STS identified several cases about unfounded access (without any justifiable reasons) by the staff to relevant information of taxpayers within the STS and relevant disciplinary procedures had been taken. It was concluded that there were no indicators where the tax information was inappropriately disclosed to third parties or used for personal reasons. There were no cases in the STS where confidential information including exchanged information had been improperly accessed, used or disclosed, and the peers have not raised any concerns in this regard.

C.3.2. Confidentiality of other information

319. The confidentiality provisions in Moldova’s EOI agreements and domestic laws do not draw a distinction between information received in response to requests and information forming part of the requests themselves. All other information, such as background documents, communications between the requesting and requested jurisdictions and within the tax authorities, are treated confidentially. In addition, the Moldovan law does not prescribe any rights for taxpayers or other persons to access the EOI requests.

C.4. Rights and safeguards of taxpayers and third parties

The information exchange mechanisms should respect the rights and safeguards of taxpayers and third parties.

320. The standard allows requested parties not to supply information in response to a request in certain identified situations where an issue of trade,
business or other secret may arise. Among other reasons, an information request can be declined where the requested information would disclose confidential communications protected by the attorney-client privilege.

321. In addition to the Multilateral Convention, all of Moldova’s DTCs’ article for exchange of information on request contain a provision equivalent to the exception provided in Article 26(3) of the OECD Model Tax Convention, which allows jurisdictions to refuse to exchange certain types of information, which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy. The CIS agreement is silent on this matter.

322. The term “professional secret” is not defined in the EOI agreements and therefore it derives its meaning from Moldova’s domestic laws. Moldova’s domestic laws define the scope of legal professional privilege and allow for exception from obligation to provide information requested for tax purposes in respect of information subject to the legal professional privilege. This is not in line with the standard because the scope of the professional secret regarding lawyers and notaries in domestic laws is broader than the standard (see B.1.5).

323. In practice, the legal professional privilege does not affect the exchange of information, since lawyers and notaries have not been a source of information for EOIR purposes.

324. Further, the STS has informed that they have to date never encountered practical difficulties in responding to EOI requests due to the application of rights and safeguards, nevertheless, **Moldova is recommended to ensure that the scope of legal professional privilege is in line with the standard.**

325. The conclusions are as follows:

**Legal and Regulatory Framework: In Place**

<table>
<thead>
<tr>
<th>Deficiencies identified/ Underlying factor</th>
<th>Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Although Moldova informed that legal professional privilege has never been an impediment in obtaining the information, the information held by lawyers and notaries subject to legal professional privilege is wider than the scope accepted under the standard.</td>
<td>Moldova is recommended to ensure that the scope of legal professional privilege is in line with the standard.</td>
</tr>
</tbody>
</table>
Practical Implementation of the Standard: Compliant

No issues have been identified in the implementation of rights and safeguards available in the existing EOI instruments.

C.5. Requesting and providing information in an effective manner

The jurisdiction should request and provide information under its network of agreements in an effective manner.

326. Moldova joined the Global Forum in 2016. It received 141 requests from exchange partners during the review period from 1 January 2020 to 31 December 2022. The majority of the EOI requests were from Moldova’s most significant economic partners including Belarus, Romania and Russia. The requests from the European Union members are also increasing, including Belgium, Czechia and Poland.

327. Moldova is a relatively small jurisdiction with businesses centralised in the capital city of Chisinau. The STS has wide scope of access powers including direct access to various registers maintained by other government authorities. In addition, the internal EOI Regulation of the STS sets out various processes and procedures for handling both incoming and outgoing EOI requests, according to which the incoming requests must be responded within 60 days or status updates must be given to exchange partners. Rules in the internal EOI Regulation are applicable to all staff at the whole STS. Moldova clarified that those factors enabled them to respond to all EOI requests from exchange partners in a timely manner during the review period, in line with the standard.

328. In practice, Moldova has relevant organisation process and resources to respond to EOI requests from exchange partners. The audit and compliance function of the STS has good understanding of the EOI tools and is active in using EOI for its tax investigations.

329. During the review period, Moldova was able to respond to EOI requests from exchange partners in a timely manner in line with the standard, and for the less than 10% requests where it was not able to respond within 90 days, status updates were always provided to the exchange partners. No significant issues were raised by peers in this regard. Moldova also sent 205 requests to other jurisdictions, and peers did not raise any concerns on the quality of requests sent by Moldova.
Legal and Regulatory Framework

This element involves issues of practice. Accordingly, no determination has been made.

Practical Implementation of the Standard: Compliant

No issues have been identified that would affect EOIR in practice.

C.5.1. Timeliness of responses to requests for information

330. In order for exchange of information to be effective, it must be provided in a timeframe that allows tax authorities to apply the information to the relevant cases. If a response is provided but only after a significant lapse of time, the information may no longer be of use to the requesting jurisdiction. This is particularly important in the context of international co-operation as cases in this area must be of sufficient importance to warrant making a request.

331. Article 20(1) of the Multilateral Convention requires the requested jurisdiction to inform the requesting jurisdiction of the action taken and the outcome of the assistance as soon as possible. Although the CIS Agreement and Moldova’s DTCs do not specify the timeframes of responses to requests for information, the internal EOI Regulation sets out the procedures, including a timeframe, for exchange of information. According to the procedures, the STS responds to the request received from other jurisdictions within 60 days from the date of its receipt regardless of whether the information is already in hand or not, and if necessary, the deadline may be extended by informing the requesting jurisdiction in advance. If the information requested is in the possession of a bank, the bank must present all documents it holds regarding the taxpayer’s account to the STS within 3 working days from the receipt of the bank summons which is authorised by the STS pursuant to Article 226 of the Tax Code.

332. During the review period, Moldova received 141 EOI requests from exchange partners. They covered legal ownership information (1 request), accounting information (48 requests), banking information (13 requests), and other types of information such as real-estate information (79 requests). All requests received were about individuals or companies. The majority of the EOI requests were from Moldova’s most significant economic partners including Russia, Romania and Belarus. The requests from the European Union members are also increasing, including Belgium, Czechia and Poland.
333. The following table relates to the requests received during the period under review and gives an overview of response times of Moldova in providing a final response to these requests, together with a summary of other relevant factors affecting the effectiveness of Moldova’s practice during the period reviewed.

**Statistics on response time and other relevant factors**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Num. %</td>
<td>Num. %</td>
<td>Num. %</td>
<td>Num. %</td>
</tr>
<tr>
<td>Total number of requests received</td>
<td>[A+B+C+D+E]</td>
<td>37</td>
<td>100</td>
<td>56</td>
</tr>
<tr>
<td>Full response: ≤ 90 days</td>
<td>31</td>
<td>84</td>
<td>51</td>
<td>91</td>
</tr>
<tr>
<td>≤ 180 days (cumulative)</td>
<td>35</td>
<td>95</td>
<td>55</td>
<td>98</td>
</tr>
<tr>
<td>≤ 1 year (cumulative)</td>
<td>[A]</td>
<td>37</td>
<td>100</td>
<td>56</td>
</tr>
<tr>
<td>&gt;1 year</td>
<td>[B]</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Declined for valid reasons</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Requests withdrawn by requesting jurisdiction</td>
<td>[C]</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Failure to obtain and provide information requested</td>
<td>[D]</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Requests still pending at date of review</td>
<td>[E]</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Outstanding cases after 90 days</td>
<td>6</td>
<td>5</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Of these, status update provided within 90 days</td>
<td>6</td>
<td>100</td>
<td>5</td>
<td>100</td>
</tr>
</tbody>
</table>

* Moldova counts each request with multiple taxpayers as one request, i.e. if a partner jurisdiction is requesting information about four persons in one request, Moldova counts that as one request. If Moldova received a further request for information that relates to a previous request, with the original request still active, Moldova will append the additional request to the original and continue to count it as the same request.

** The time periods in this table are counted from the date of receipt of the request to the date on which the final and complete response was issued.

334. On a total of 141 requests received by Moldova during the review period, 91% of them were answered within 90 days, 97% within 180 days and 100% within one year. Moldova clarified that those requests were not related to a particular type of information. For requests that were not responded within 90 days, Moldova had provided status updates to exchange partners.

335. During the review period, Moldova declined two requests from exchange partners. One was related to the taxpayers in Transnistria region, a strip of land between the Dniester River and the eastern Moldovan border with Ukraine, which is not controlled by the Moldovan government. The other request was declined by Moldova as the request was in lack of foreseeable relevance and suspected of being fishing expedition, and the requesting partner has not answered the request for clarification sent by the Moldovan competent authority.
During the review period there were no requests withdrawn by the requesting jurisdictions. There were no cases where Moldova failed to obtain and provide the information requested and there were no requests received during the review period that were still pending at the date of the review.

Moldova clarified that they were able to respond to all requests received during the review period mainly due to the following factors:

- Moldova’s internal EOI Regulation requires the EOI requests received from exchanged partners to be responded within 60 days, or status updates must be given to the requesting jurisdiction. This EOI Regulation is issued in the form of the Order from the Director of the STS, binding to all tax officials at the STS, in particular to the officials of the Compliance Department that is in charge of collecting relevant information for EOI purposes.

- The STS has a wide scope of access powers as discussed under Section B.1, including direct access to various databases, e.g. the STS’s register of taxpayers, the AIS CCED which contains bank account information and other public registers including the Real Estate Cadastre, State Register of Transport, State Register of Legal Entities and State Register of the population.

- Moldova is a relatively small jurisdiction with businesses centralised in the capital city of Chisinau, which to some extent also mitigates the communication difficulties when the STS collecting the requested information from taxpayers or information holders.

To sum up, during the review period, Moldova was able to respond to EOI requests from exchange partners in a timely manner in line with the standard, and for the less than 10% requests where it was not able to respond within 90 days, status updates were always provided to the exchange partners. Inputs from peers were also overall positive indicating there was good co-operation and communication with the competent authority of Moldova for EOI purposes.

C.5.2. Organisational processes and resources

Organisation of the competent authority

It is important that a jurisdiction has appropriate organisational processes and resources in place to ensure an effective exchange of information under the EOIR standard, including timely responses to requests from exchange partners and the quality of information provided to exchange partners. The delegated and operational competent authority in charge of exchanging information for tax purposes is within the STS. The unit
responsible for the exchange of information is the International Co-operation and Exchange of Information Unit within the Organisation and Monitoring of Policy Implementation Department which is directly reporting to the Director of the STS.

340. There are two delegated competent authorities for EOI in Moldova – the Director and a Deputy Director of the STS. All EOI communications from foreign exchange partners should address to the Director of the STS. Contact details for all the competent authorities for EOI purposes and the responsible person are listed on the Global Forum secure website. There is also a regular established contact channel with EOI partners through an official email managed by the EOI Unit.

Resources and training

341. The EOI Unit is comprised of four EOI officials, including the head of the EOI Unit. The EOI Unit is responsible for all types of exchange of information of the STS with foreign tax administrations, and all staff at the EOI Unit are dedicated to the work of EOI. Officials at the EOI Unit have a good level of knowledge on EOIR, English and Russian, being able to process the requests as required under the internal EOI Regulation. All staff at the EOI Unit have a master’s degree of law. The whole EOI Unit is supervised by the Head of the Unit and every request or response sent must be signed-off by the Head of the Unit and then the Head of the Department before being presented to the competent authority, i.e. the Director or the Deputy Director of the STS. The EOI Unit may also request the Legal Department of the STS for legal advice for purposes of the EOI and also of the Compliance Department of the STS for collecting the information requested. The financing for the EOI Unit is received from the Ministry of Finance, including salaries of the staff and other logistical resources such as computers. Moldova confirmed that the current financial resources is in line with the set-up and workload of the EOI cases.

342. All staff at the EOI Unit has been provided with an induction course on EOI, covering legal tools, procedures, and confidentiality related matters. Staff are also frequently sent to attend regional or international trainings or workshops, including those organised by the Global Forum, e.g. the “Train the Trainer Programme”.

343. The EOI Unit uses an excel “EOI database” to track and record the incoming and outgoing requests, including the reference numbers, date of receipt, entry date to the STS system, brief description of the requests and deadline information. The requested documents, including those received from other jurisdictions and those collected for sending to other jurisdictions, are saved in the information system of “Synapsis” developed by the Documents Management Department of the STS. For incoming requests, the
deadline information is also indicated on “Synapsis”. The EOI related work, including abiding by the timelines set out in the internal EOI Regulation, is one of the indicators for the staff’s performance review as per the STS rules.

344. To respond to an EOI request, the STS has access and uses several databases to gather information requested by the exchange partner, including the STS’s taxpayer database, the register of legal entities of the PSA as well as other public registers. It is noted that the PSA is working on the central registration of beneficial ownership information, together with the OPFML and the NBM, and such register will also be accessible directly by the STS when ready.

345. Under the present set-up and taking into consideration the number of requests for information presently being received and submitted, the resources available to the EOI Unit are sufficient in Moldova.

Incoming requests

346. Moldova has processes and procedures to manage the incoming requests for information, which have been set out in the internal EOI Regulation (Article 15 of the internal EOI Regulation), based on the model EOI Manual developed by the Global Forum Secretariat.

347. When an EOI request is received by the STS, firstly it is registered by the Documents Management Department in the information system of “Synapsis”, and then is registered by the EOI Unit in the excel “EOI Database”. Where hard copies of EOI request letters are received, they will be saved in the dedicated safe box of the EOI Unit and scanned and stored in a shared drive which only the EOI Unit has access to. After the internal registration of the request, the EOI Unit will verify the validity of the request by checking whether:

- there is a legal instrument for exchange of information with the requesting jurisdiction
- the requested information is within the periods or taxes covered by the applicable legal instrument
- the request has been approved by the responsible person within the requesting competent authority
- the background information provided in the request is sufficient and the request is clear and specific
- all available measures to obtain the information have been used
- the request is necessary or foreseeably relevant.
348. After checking the validity of the request, where clarification is needed, the STS will send a clarification letter to the requesting jurisdiction, by either encrypted email or registered mail.

349. After the validation is done, if the EOI Unit thinks the request is clear and meeting the requirements sets out in the internal EOI Regulation, for a request that is in Russian or Romanian, the EOI Unit will send an internal letter to the Compliance Department of the STS and ask them to exercise the access powers and collect the requested information. If the request received is in other languages, the EOI Unit will conduct the translation and send a translated version of the request to the Compliance Department.

350. The Compliance Department should collect the information and send it to the EOI Unit within 60 days after receiving the internal letter. After the EOI Unit checks the completeness of the requested information, such information will then be sent to the requesting jurisdiction with a formal reply letter prepared by the EOI Unit and signed by the Head of the Department and then the Director or Deputy Director of the STS (who is the competent authority of Moldova). The EOI Unit will also save such information in a dedicated drive at “Synapsis” and register it in the excel “EOI Database”. Where the EOI Unit could not respond to the request within 60 days as more time is needed by the Compliance Department to gather the information, the EOI Unit will send a status update or a partial response to the requesting jurisdiction.

351. Moldova informed that during the review period, there were no difficulties encountered in working with other departments of the STS to collect the information and respond to the exchange partners. The staff from other departments also have good understanding of EOI and they are subject to the rules set out in the internal EOI Regulation of the STS.

Outgoing requests

352. Moldova has in place processes and rules to follow when sending EOI requests to other exchange partners as set out in Article 17 of the internal EOI Regulation.

353. Where other departments of the STS intend to obtain information from other jurisdictions for the ongoing tax investigation cases, they will send a letter of request to the EOI Unit according to the template specified in the internal EOI Regulation. The letter of request must be complete and comprehensive and include as many details as possible. Where needed, the documents referred to in the requests should also be attached, so as to enable the foreign exchange partner to process the request quickly and efficiently. Such letter of request must be signed by the head of the department of the STS and endorsed by the Deputy Director of the STS. The letter of request will be registered and then sent to the EOI Unit.
354. Upon receipt of the letter of request from the other department, the EOI Unit will verify the letter of request to ensure it contains all necessary information as required, taking into consideration whether:

- there is a legal instrument for exchange of information with the requested jurisdiction
- the requested information is within the periods or taxes covered by the applicable legal instrument
- all available measures in Moldova to obtain the information have been used
- the request is "necessary" or "foreseeably relevant".

355. After the letter of request is validated by the EOI Unit, the EOI Unit will then prepare the official EOI request based on the templates (in Romanian, Russian and English) in the internal EOI Regulation, which were based on the model request developed by the Global Forum Secretariat. The official EOI request will then be submitted to the Director of the STS for approval before being sent to the foreign jurisdiction. The EOI request will be registered in the excel “EOI Database”.

356. If the requested information has not been received or no status updates are received from the requested jurisdiction after 180 days of sending out the request, the EOI Unit will follow up with the requested jurisdiction and inquire about the status of the request, and thereafter at regular intervals where needed.

357. After receiving responses from the requested jurisdiction, the EOI Unit will check the completeness of the information received. Where the response is complete, the EOI Unit will prepare and send a confirmation letter to the requested jurisdiction within seven days. If the response is incomplete and the EOI Unit considers necessary, an additional request would be sent to the requested jurisdiction. For the complete information received, the EOI Unit prepares an internal letter with attachment of relevant information and sends them to the requesting department of the STS. Documents containing exchanged information are clearly stamped or labelled on each page of the document with the warning that “this information is furnished under the provisions of a tax treaty and its use and disclosure must be governed by the provisions of such tax treaty”, and the general label of “Information with limited accessibility”. Where the requested jurisdiction provides more information than that was requested, the additional information will not be shared with the other department of the STS, but only the specifically requested and necessary information is shared, to not create unnecessary risk to the confidentiality of the information. All documents in hard copy will be filed and kept in the safe box of the EOI Unit.
and electronic documents will be saved in dedicated drive in the “Synapsis”. Moldova confirmed that each step of the outgoing request is recorded in the excel “EOI Database” maintained by the EOI Unit.

358. During the review period, Moldova sent 205 requests to other jurisdictions. Moldova informed that there were no difficulties encountered in working with other departments of the STS to request information from other exchange partners for domestic tax audit cases. The staff from other departments have good understanding of EOI and they are also subject to the rules set out in the internal EOI Regulation of the STS. Out of the 205 requests, Moldova received 12 requests for clarifications from exchange partners, including questions on foreseeable relevance and concerned tax periods. Moldova had responded to such requests for clarifications and relevant outgoing requests were responded by exchange partners, except one outgoing request that is in progress. Inputs from peers did not raise any concerns about the issue of foreseeable relevance regarding requests sent from Moldova.

Conclusion

359. In conclusion, Moldova has in place appropriate organisational processes and adequate resources for handling incoming and outgoing requests. Both the staff at the EOI Unit and the staff at other departments of the STS have good understanding of such processes as specified in the internal EOI Regulation. Moldova was able to respond to the requests received from other jurisdictions timely in line with the standard and no peers have raised any concerns in this regard.

C.5.3. Unreasonable, disproportionate or unduly restrictive conditions for EOI

360. Exchange of information assistance should not be subject to unreasonable, disproportionate, or unduly restrictive conditions. There are no legal or regulatory requirements in Moldova that impose unreasonable, disproportionate or unduly restrictive conditions. There were also no factors or issues identified in practice that have unreasonably, disproportionately or unduly restricted the effective exchange of information.
Annex 1. List of in-text recommendations

The Global Forum may identify issues that have not had and are unlikely in the current circumstances to have more than a negligible impact on EOIR in practice. Nevertheless, the circumstances may change, and the relevance of the issue may increase. In these cases, a recommendation may be made; however, it should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be stated in the text of the report. A list of such recommendations is reproduced below for convenience.

- **Element A.1.1**: Moldova should ensure the legal ownership information of LLCs maintained by the State Register and the legal ownership information of JSCs maintained by the Single Central Depositary of Securities or the registry companies is always up to date (refer to paragraph 53).

- **Element A.1.4**: Moldova should continue its implementation of the central registration of beneficial ownership information of trusts and other legal arrangements to ensure its effectiveness in practice (refer to paragraph 160).

- **Element C.1.2**: Moldova should update its internal EOI Regulation with procedures for handling group requests to ensure effective EOI in practice. (refer to paragraph 281).

- **Element C.2**: Moldova should continue to conclude EOI agreements with any new relevant partner who would so require (refer to paragraph 301).
Annex 2. List of Moldova’s EOI mechanisms

Bilateral international agreements for the exchange of information

<table>
<thead>
<tr>
<th>EOI partner</th>
<th>Type of agreement</th>
<th>Signature</th>
<th>Entry into force</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Albania</td>
<td>DTC</td>
<td>6 December 2002</td>
<td>6 June 2003</td>
</tr>
<tr>
<td>2. Armenia</td>
<td>DTC</td>
<td>6 October 2002</td>
<td>20 June 2005</td>
</tr>
<tr>
<td>3. Austria</td>
<td>DTC</td>
<td>29 April 2004</td>
<td>1 January 2005</td>
</tr>
<tr>
<td></td>
<td>Protocol</td>
<td>30 March 2017</td>
<td>Ratified by Moldova</td>
</tr>
<tr>
<td>7. Bosnia and Herzegovina</td>
<td>DTC</td>
<td>8 December 2003</td>
<td>17 December 2004</td>
</tr>
</tbody>
</table>

24. The DTC contains an article for exchange of information regarding amendments of tax legislation but does not include an article for EOIR purpose. The Protocol ratified by Moldova contains provisions for EOIR purpose.

25. Note by Türkiye: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.
<table>
<thead>
<tr>
<th>EOI partner</th>
<th>Type of agreement</th>
<th>Signature</th>
<th>Entry into force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czechia</td>
<td>DTC</td>
<td>12 May 1999</td>
<td>26 April 2000</td>
</tr>
<tr>
<td></td>
<td>Protocol</td>
<td>14 October 2004</td>
<td>13 July 2005</td>
</tr>
<tr>
<td>France</td>
<td>DTC</td>
<td>15 June 2022</td>
<td>23 April 2024</td>
</tr>
<tr>
<td>Finland</td>
<td>DTC</td>
<td>16 April 2008</td>
<td>9 November 2008</td>
</tr>
<tr>
<td>Georgia</td>
<td>DTC</td>
<td>29 November 2017</td>
<td>17 April 2018</td>
</tr>
<tr>
<td>Greece</td>
<td>DTC</td>
<td>29 March 2004</td>
<td>11 July 2005</td>
</tr>
<tr>
<td>Hungary</td>
<td>DTC</td>
<td>19 April 1995</td>
<td>16 August 1996</td>
</tr>
<tr>
<td>Ireland</td>
<td>DTC</td>
<td>28 May 2009</td>
<td>22 April 2010</td>
</tr>
<tr>
<td>Israel</td>
<td>DTC</td>
<td>23 November 2006</td>
<td>12 April 2007</td>
</tr>
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<td>Italy</td>
<td>DTC</td>
<td>3 July 2002</td>
<td>14 July 2011</td>
</tr>
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<td>Japan</td>
<td>DTC</td>
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<td>4 December 2009</td>
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<td>North Macedonia</td>
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<td>21 February 2006</td>
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<tr>
<td>Malta</td>
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<td>10 April 2014</td>
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<td>Montenegro</td>
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<td>9 June 2005</td>
<td>23 May 2006</td>
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<td>Netherlands</td>
<td>DTC</td>
<td>3 July 2000</td>
<td>1 June 2001</td>
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<td>Oman</td>
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<td>3 April 2007</td>
<td>13 August 2007</td>
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<td>Poland</td>
<td>DTC</td>
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<td>27 October 1995</td>
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<td>Portugal</td>
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<td>Tajikistan</td>
<td>DTC</td>
<td>15 November 2002</td>
<td>25 February 2004</td>
</tr>
</tbody>
</table>

26. The DTC entered into force after the cut-off date for this report.
### EOI partner

<table>
<thead>
<tr>
<th>No.</th>
<th>EOI partner</th>
<th>Type of agreement</th>
<th>Signature</th>
<th>Entry into force</th>
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<td>45</td>
<td>Turkmenistan</td>
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<td>27 May 1996</td>
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<td>47</td>
<td>United Arab Emirates</td>
<td>DTC</td>
<td>10 July 2017</td>
<td>26 July 2018</td>
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<td>48</td>
<td>United Kingdom</td>
<td>DTC</td>
<td>8 November 2007</td>
<td>30 November 2008</td>
</tr>
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<td>49</td>
<td>Uzbekistan</td>
<td>DTC</td>
<td>30 March 1995</td>
<td>28 November 1995</td>
</tr>
</tbody>
</table>

### Convention on Mutual Administrative Assistance in Tax Matters (as amended)

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the Multilateral Convention). The Multilateral Convention is the most comprehensive multilateral instrument available for all forms of tax co-operation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

The original 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The Multilateral Convention was opened for signature on 1 June 2011.

The Multilateral Convention was signed by Moldova on 27 January 2011 and entered into force on 1 March 2012 in Moldova. Moldova can exchange information with all other Parties to the Multilateral Convention.

The Multilateral Convention is in force in respect of the following jurisdictions: Albania, Andorra, Anguilla (extension by the United Kingdom), Antigua and Barbuda, Argentina, Armenia, Aruba (extension by the Netherlands), Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Belize, Benin, Bermuda (extension by the United Kingdom), Bosnia and Herzegovina, Botswana, Brazil, British Virgin Islands (extension by the United Kingdom), Brunei Darussalam, Bulgaria, Burkina Faso, Cabo Verde, Cameroon, Canada, Cayman Islands (extension by the United Kingdom), Chile, China (People’s Republic of), Colombia, Cook Islands, Costa Rica, Croatia, Curaçao (extension by the Netherlands), Cyprus, Czechia, Denmark, Dominica, Dominican Republic, Ecuador, El Salvador, Estonia, Eswatini, Faroe Islands (extension by Denmark), Finland, France, Georgia, Germany, Ghana, Gibraltar (extension by the United Kingdom), Greece,
Greenland (extension by Denmark), Grenada, Guatemala, Guernsey (extension by the United Kingdom), Hong Kong (China) (extension by China), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man (extension by the United Kingdom), Israel, Italy, Jamaica, Japan, Jersey (extension by the United Kingdom), Jordan, Kazakhstan, Kenya, Korea, Kuwait, Latvia, Lebanon, Liberia, Liechtenstein, Lithuania, Luxembourg, Macau (China) (extension by China), North Macedonia, Malaysia, Maldives, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Moldova, Monaco, Mongolia, Montenegro, Montserrat (extension by the United Kingdom), Morocco, Namibia, Nauru, Netherlands, New Zealand, Nigeria, Niue, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Poland, Portugal, Qatar, Romania, Russia, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Sint Maarten (extension by the Netherlands), Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Tunisia, Türkiye, Turks and Caicos Islands (extension by the United Kingdom), Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay, Vanuatu and Viet Nam.

In addition, the Multilateral Convention was signed by the following jurisdictions, where it is not yet in force: Gabon, Honduras, Madagascar, Philippines, and Togo.

Finally, the United States are party only to the original 1988 Convention, which is in force since 1 April 1995 (the amending Protocol was signed on 27 April 2010). Moldova and the United States can exchange information with respect to the Multilateral Convention after they reached a “meeting of the minds” arrangement.

Commonwealth of Independent States Agreement

Moldova is a Party to the Agreement between Member States of the Commonwealth of Independent States on Co-operation and Mutual Assistance on Issues of Compliance with the Tax Legislation and Combating Violations in this Area, dated 4 June 1999 (CIS Agreement) entered into force in Moldova on 10 August 2001. The member states of the CIS Agreement are Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia and Tajikistan (Georgia and Uzbekistan have not finalised the ratification procedure). The agreement provides for different forms of co-operation such as mutual collaboration of actions aimed at the prevention, detection and prosecution of tax legislation violation and exchange of information on taxpayer’s compliance with tax legislation.
Annex 3. Methodology for the review

The reviews are based on the 2016 Terms of Reference and conducted in accordance with the 2016 Methodology for peer reviews and non-member reviews, as amended in December 2020 and November 2021, and the Schedule of Reviews.

The evaluation is based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 11 April 2024. Moldova’s EOIR practice in respect of EOI requests made and received during the three-year period from 1 January 2020 to 31 December 2022, Moldova’s response to the EOIR questionnaire, inputs from partner jurisdictions and information provided by Moldova’s authorities during the on-site visit that took place from 24 October 2023 to 26 October 2023 in Chisinau.

Moldova joined the Global Forum in 2016. This review is the first one conducted by the Global Forum on Moldova.

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<th>Review</th>
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<th>Date of adoption by Global Forum</th>
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<td>Round 2 Phase 1</td>
<td>Mr Samuel Szillat, Germany&lt;br&gt;Mr Joseph Balikuddembe, Uganda&lt;br&gt;Mr Colin Yan and Mr Hiroki Ema, Global Forum Secretariat</td>
<td>Not applicable</td>
<td>30 August 2021</td>
<td>18 November 2021</td>
</tr>
<tr>
<td>Round 2 Phase 2</td>
<td>Ms Svenja Köpping, Germany&lt;br&gt;Mr Nana Otoo, Ghana&lt;br&gt;Mr Colin Yan, Global Forum Secretariat</td>
<td>1 January 2020 to 31 December 2022</td>
<td>11 April 2024</td>
<td>18 July 2024</td>
</tr>
</tbody>
</table>
Authorities met during the onsite visit

Ministry of Finance
National Bank of Moldova
National Commission for Financial Markets
Office for Prevention and Fight Against Money Laundering
Public Service Agency
State Tax Service

Representatives of the Association of Banks, the Association of Professional Accountants and Auditors, the Association of Auditors and Audit Companies, the Public Audit Oversight Board, the Notary Chamber, and the Union of Lawyers

List of laws, regulations and other materials received

Administrative Code
Capital Market Law
Civil Code
Constitution of Moldova
Contravention Code


Instructions on collecting, checking and recording data on the beneficial owners in the State Register of Legal Persons and Individual Entrepreneurs, Order No. 05/01-281i of 9 August 2018 of the State Register (Instruction on BO registration of legal entities)

Instructions on BO registration of legal entities, PSA Order No. 573 of 4 September 2023

Instructions regarding the Verification, Registration and Updating of Data about the Beneficial Owners of Legal Entities (Profit-making and Non-commercial Organisations) and Individual Entrepreneurs/Peasant (farmers) Households in the State Register of Legal Entities, Order No. 573 of 4 September 2023

Law on Access to Information
Law on Archival Fund, No. 880-XII of 22 January 1992
Law on Entrepreneurial Co-operatives, No. 73-XV of 12 April 2001
Law on Joint Stock Companies, No. 1134 of 2 April 1997 (Law on JSCs)
Law on Limited Liability Companies, No. 135 of 14 June 2007 (Law on LLCs)
Law on Savings and Credit Associations, No. 139-XVI of 21 June 2007
Law on State Registration of Legal Entities and Individual Entrepreneurs, No. 220 of 19 October 2007 (Law on State Registration of Legal Entities)
Law No. 245 of 27 November 2008 on State Secret
Law No. 69/2016 on the Organisation of the Notaries’ Activity
Law No. 86/2020 of 11 June 2020 on Non-profit Organisations
Law No. 158/2008 on the Civil Service and the Status of the Civil Servant
Law No. 202/2017 on the Activity of Banks
Law No. 234/2016 on the Single Central Depository of Securities
Law No. 287/2017 on Accounting and Financial Reporting
Law No. 308/2017 on Prevention and Combating Money Laundering and Terrorism Financing and its amendment through Law No. 66/2023 in 2023 (AML Law)
Law No. 407/2006 on Insurance (excerpt)
Law No. 548/1995 on the National Bank of Moldova
Law No. 595/1999 on International Treaties
Law No. 1007/2002 on Production Co-operatives
Law No. 1252/2000 on Consumer Co-operatives
Law No. 1260/2002 on Lawyers
Local Law of the People’s Assembly of Gagauzia on Fixed Taxation, No. 46 XX/II of 17 July 2001
NCFM Regulation No. 38/1/2018 on prevention and combatting money laundering and terrorist financing on the non-banking financial market

Regulation “On the Exchange of Tax Information”, Order No. 411 of 24 September 2019 (Internal EOI Regulation)

Regulation “On the Mechanism for Applying the Provisions of the International Treaties of the Republic of Moldova in the field of mutual administrative assistance in tax matters” approved by Government Decision No. 1275 of 26 December 2018

Regulation on the mechanism of the conclusion, application and termination of international treaties approved by the Government Decision No. 442/2015

Regulation on Requirements for Prevention and Combating Money Laundering and Terrorist Financing in the Activity of Banks, No. 200 of 9 August 2018 (AML Regulation for Banks)

State Archive Service Order No. 57 of 27 July 2016

Statute of the Lawyer Profession No. 302/2011

STS Order No. 151 of 14 April 2022 on the approval of the Regulation on regulating access to the headquarters of the STS

STS Order No. 283 of 22 August 2018 regarding the approval of the Information Security Policy of the STS

Tax Code No. 1163-XIII of 24 April 1997
Annex 4. Moldova’s response to the review report

The Republic of Moldova extends its sincere gratitude to the Assessment Team, the Peer Review Group and the Secretariat of the Global Forum on Transparency and Exchange of Information for Tax Purposes for their diligent and thorough work encapsulated in this report.

We acknowledge with appreciation the comprehensive effort and expertise that each group has invested in this significant endeavor. The insights gained from this report will undoubtedly serve as a critical tool in our ongoing efforts to improve and excel in the implementation of the Standard on the Exchange of Information on Request.

We are pleased to note that the overall rating of “Largely compliant” has been accorded to us. This positive evaluation serves as a testament to the Republic of Moldova’s unwavering commitment to maintaining high standards of compliance and continuously improving our operational processes.

The recommendations provided in the report have been duly noted. We recognise the value of these insights and will address them with the necessary diligence and expediency. The Republic of Moldova aims to leverage these recommendations to enhance its regulatory and operational frameworks, ensuring greater efficiency and compliance.

We look forward to demonstrating our continued progress in future evaluations and fostering ongoing collaboration with the Global Forum.

27. This Annex presents the Jurisdiction’s response to the review report and shall not be deemed to represent the Global Forum’s views.
The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 170 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum’s work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

This peer review report analyses the practical implementation of the standard of transparency and exchange of information on request (EOIR) in Moldova, as part of the second round of reviews conducted by the Global Forum on Transparency and Exchange of Information for Tax Purposes since 2016.