

Economy Profile  
Moldova

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



WORLD BANK GROUP

**Economy Profile of Moldova**

*Doing Business 2020 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Employing workers</b>	Flexibility in employment regulation and redundancy cost

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

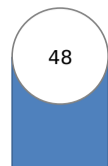
To learn more about *Doing Business* please visit [doingbusiness.org](http://doingbusiness.org)

Ease of Doing Business in  
**Moldova**

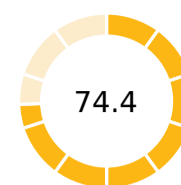


<b>Region</b>	Europe & Central Asia
<b>Income Category</b>	Lower middle income
<b>Population</b>	3,545,883
<b>City Covered</b>	Chisinau

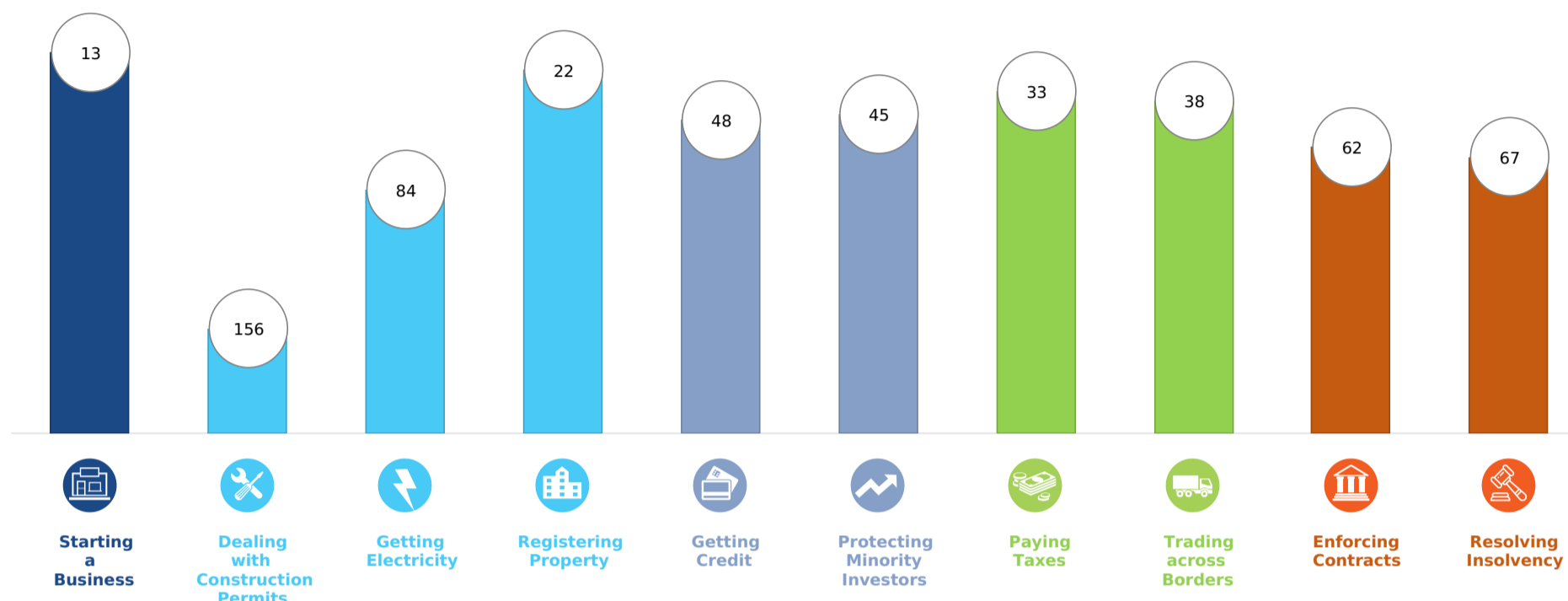
DB RANK



DB SCORE



Rankings on Doing Business topics - Moldova



Topic Scores



<b>Starting a Business</b> (rank)	13
Score of starting a business (0-100)	95.7
Procedures (number)	3
Time (days)	4
Cost (number)	4
Paid-in min. capital (% of income per capita)	0.0
<b>Dealing with Construction Permits</b> (rank)	156
Score of dealing with construction permits (0-100)	56.2
Procedures (number)	21
Time (days)	278
Cost (% of warehouse value)	3.7
Building quality control index (0-15)	12.0
<b>Getting Electricity</b> (rank)	84
Score of getting electricity (0-100)	75.3
Procedures (number)	6
Time (days)	87
Cost (% of income per capita)	515.8
Reliability of supply and transparency of tariff index (0-8)	7
<b>Registering Property</b> (rank)	22
Score of registering property (0-100)	82.8
Procedures (number)	5
Time (days)	5.5
Cost (% of property value)	1.0
Quality of the land administration index (0-30)	22.0

<b>Getting Credit</b> (rank)	48
Score of getting credit (0-100)	70.0
Strength of legal rights index (0-12)	8
Depth of credit information index (0-8)	6
Credit registry coverage (% of adults)	0.0
Credit bureau coverage (% of adults)	18.2
<b>Protecting Minority Investors</b> (rank)	45
Score of protecting minority investors (0-100)	68.0
Extent of disclosure index (0-10)	7.0
Extent of director liability index (0-10)	4.0
Ease of shareholder suits index (0-10)	8.0
Extent of shareholder rights index (0-6)	5.0
Extent of ownership and control index (0-7)	4.0
Extent of corporate transparency index (0-7)	6.0
<b>Paying Taxes</b> (rank)	33
Score of paying taxes (0-100)	85.2
Payments (number per year)	10
Time (hours per year)	183
Total tax and contribution rate (% of profit)	38.7
Postfiling index (0-100)	90.8

<b>Trading across Borders</b> (rank)	38
Score of trading across borders (0-100)	92.3
<i>Time to export</i>	
Documentary compliance (hours)	48
Border compliance (hours)	3
<i>Cost to export</i>	
Documentary compliance (USD)	44
Border compliance (USD)	76
<i>Time to export</i>	
Documentary compliance (hours)	2
Border compliance (hours)	4
<i>Cost to export</i>	
Documentary compliance (USD)	41
Border compliance (USD)	83
<b>Enforcing Contracts</b> (rank)	62
Score of enforcing contracts (0-100)	63.6
Time (days)	585
Cost (% of claim value)	28.6
Quality of judicial processes index (0-18)	11.0
<b>Resolving Insolvency</b> (rank)	67
Score of resolving insolvency (0-100)	54.8
Recovery rate (cents on the dollar)	32.1
Time (years)	2.8
Cost (% of estate)	15.0
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	12.0

## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul>	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul>	<p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</li> </ul>
<p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	

Starting a Business - Moldova

Standardized Company

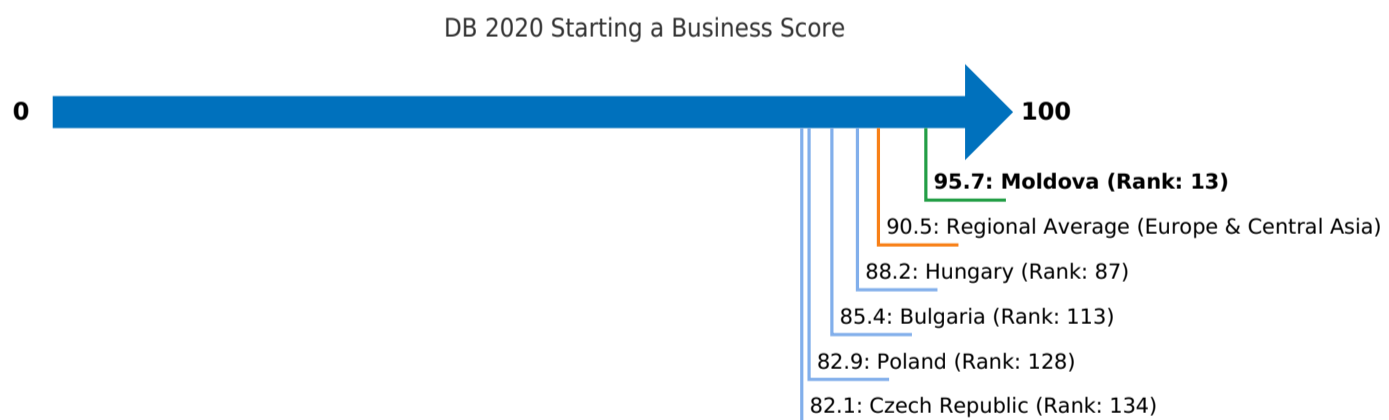
Legal form	Limited Liability Company
Paid-in minimum capital requirement	No minimum
City Covered	Chisinau

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedure - Men (number)	3	5.2	4.9	1 (2 Economies)
Time - Men (days)	4	11.9	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	4.0	4.0	3.0	0.0 (2 Economies)
Procedure - Women (number)	3	5.2	4.9	1 (2 Economies)
Time - Women (days)	4	11.9	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	4.0	4.0	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	0.7	7.6	0.0 (120 Economies)

Figure - Starting a Business in Moldova - Score

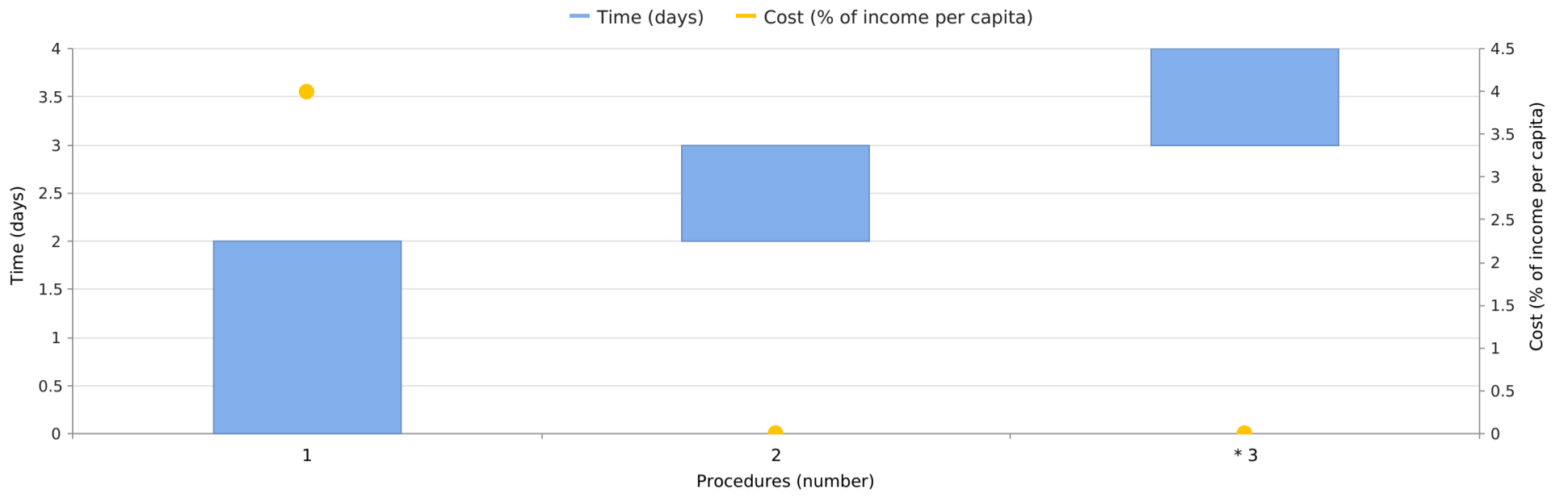


Figure - Starting a Business in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Moldova - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.



## Details - Starting a Business in Moldova - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Reserve company name; file all the documents with the Public Services Agency for the registration of the company and obtain IDNO number</b>  <i>Agency</i> : Public Services Agency</p> <p>Under the Law on the State Registration of Legal Entities and Individual Entrepreneurs (No. 220 of 19.10.2007, in force from 30.05.2008 and as amended), the standard term for registration of the company is 24 hours (2 business days).</p> <p>Under the Government Decision no. 314 dated 22.05.2017, the "State Registration Chamber", the State Enterprise "Cadastre" and the "Licensing Chamber" have been reorganized into the state authority "Public Services Agency" (PSA). PSA provides options for expedited services in which company registration can be completed within 4 hours (same day).</p> <p>The fees for registering companies with the PSA under the expedited term are as follows:</p> <ul style="list-style-type: none"> <li>- State registration: MDL 1149 (24hours)/MDL 4596(4 hours);</li> <li>- Incorporation document preparation (editing): MDL 202 (24hours)/MDL 404 (4 hours);</li> <li>- Name verification: MDL 71 (24 hours)/MDL156 (4 hours) ;</li> <li>- Certification of signatures by the State Registrar: MDL 63 (constant) ;</li> <li>- Certification of the statutory documents-MDL 197 (constant);</li> <li>- Publication: MDL 131 (constant);</li> <li>- Extract (for permanent bank account): MDL 110 (constant).</li> </ul> <p>Apart from the registration cost, the applicant can order a stamp, the cost of which may vary between MDL 200 and MDL 450. The requirement to hold a company stamp has been abolished, however the majority of companies continues obtaining the stamp.</p> <p>In accordance with the Law, the following documents must be submitted to the PSA in order to register a limited liability company:</p> <ol style="list-style-type: none"> <li>(a) Filled application form (template provided by the PSA);</li> <li>(b) Decision on incorporation of the company approved by founder/s;</li> <li>(c) Incorporation documents;</li> <li>(d) Document confirming payment of applicable registration fees.</li> <li>(e) Declaration of the company's beneficial owners</li> </ol> <p>In practice the PSA drafts the incorporation documents and a founder decision in a special form that is supplementary to the decision provided by the founder.</p> <p>The Law on prevention and combating money laundering and terrorism financing No. 308 of 22.12.2017 requires the legal entities to declare the ultimate beneficiary owners. From the legal point of view, the ultimate beneficiary is the individual, who directly or indirectly controls 25% and more in the new company that will be incorporated.</p> <p>An unique state identification number is attributed to each legal entity at the date of its registration. It is inserted in the Registration Certificate and in the constitutive act.</p> <p>The Law on State Registration of Legal Entities and Individual Entrepreneurs No. 220 of 19.10.2007 allows the booking of the name, under which a person or entity intends to register a company, for a term up to 6 months. In such a way, no other third party will be allowed to register a company under the same name during the booking period.</p> <p>PSA informs the Tax Authority, the Social Security Fund, the Health Insurance Fund, and the Statistical Agency about the registration of new legal entity. The authorities then exchange all relevant information. In some cases, taxpayer is required to visit the tax authority to separately register for electronic reporting by the companies. It does not represent a part of regular registration, it is required by the law and it depends on the number of employees and the VAT status. At the same time, the right for voluntarily registration is available for legal entities, in order to electronically submit the reports.</p>	<p>The expedited procedure of state registration of the legal entity is 4 hours (1 day), and the regular procedure 24 hours (2 days).</p>	<p>MDL 1,149 (regular registration cost) or MDL 1,149*4 (expedited, 4-hour registration)  Stamp: between MDL 200 and MDL 450  Other fees: see description in procedure details</p>



2	<p><b>Register employees with the National Health Insurance Company</b>  <i>Agency</i> : State Tax Service and National Health Insurance Company          Public Services Agency (single point of contact for registration of companies) informs the National Health Insurance Company about registration of the new company. According to the Article 5 of Law no. 489/1999 employers, are required to submit, on paper or using methods automated electronic reporting with the application of digital signature, information related work relationships for establishing social and medical rights, according to the form and manner approved by the Ministry of Finance, by the deadline 10 business days from the date of employment.</p> <p>This is done using IPC 18 form. As a result, company's representative will have to visit the authority to submit the list of employees. Alternatively, such submission can be done online if company holds a digital signature. To obtain an electronic signature, entrepreneurs visit the State Tax Service and enter into agreements for obtaining the access to the electronic services which include, among others, the possibility to file the IPC18 report online. Once done, IPC 18 filings with National Health Insurance Company can be done online.</p>	1 day	no charge
⇒ 3	<p><b>Register as a VAT taxpayer</b>  <i>Agency</i> : Tax Authority          According to Article 112 of the Tax Code, VAT registration can be done on a voluntary basis. However, a legal entity is required to register as a VAT payer if during any 12 consecutive months it performs taxable supplies of goods/services exceeding the threshold of MDL 1,200,000, with exception of VAT-free supplies.          The company has the obligation to apply for the VAT registration no later than the last day of the month when the threshold has been exceeded. The procedure of registration is performed by the tax authority upon filing of an application by the company. The company is deemed registered as VAT payer on the first day of next month when the threshold has been exceeded.</p>	1 day (simultaneous with previous procedure)	no charge

⇒ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

### What the indicators measure

#### Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

#### Building quality control index (0-15)

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

### Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

#### The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

#### The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

#### The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

Dealing with Construction Permits - Moldova

Standardized Warehouse

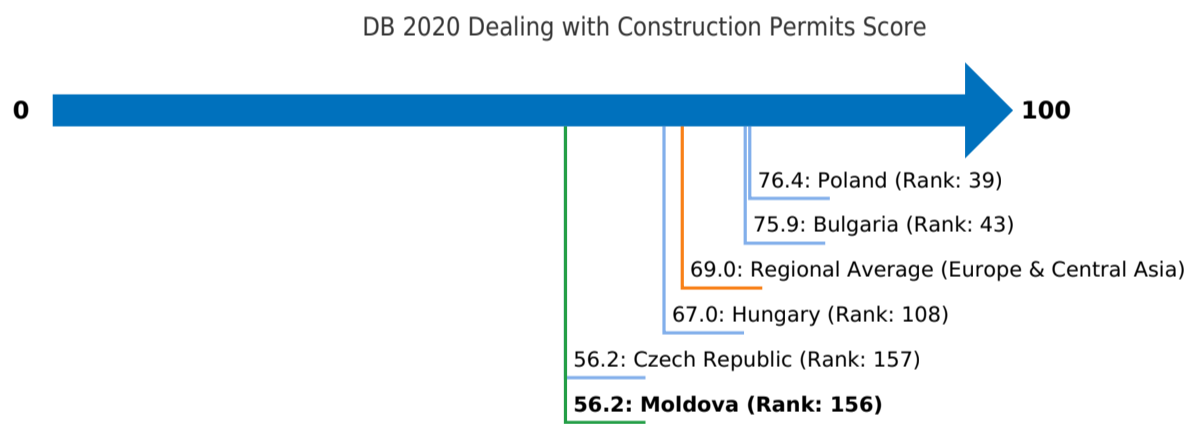
Estimated value of warehouse	MDL 2,819,184.10
City Covered	Chisinau

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	21	16.2	12.7	None in 2018/19
Time (days)	278	170.1	152.3	None in 2018/19
Cost (% of warehouse value)	3.7	4.0	1.5	None in 2018/19
Building quality control index (0-15)	12.0	12.1	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Moldova - Score

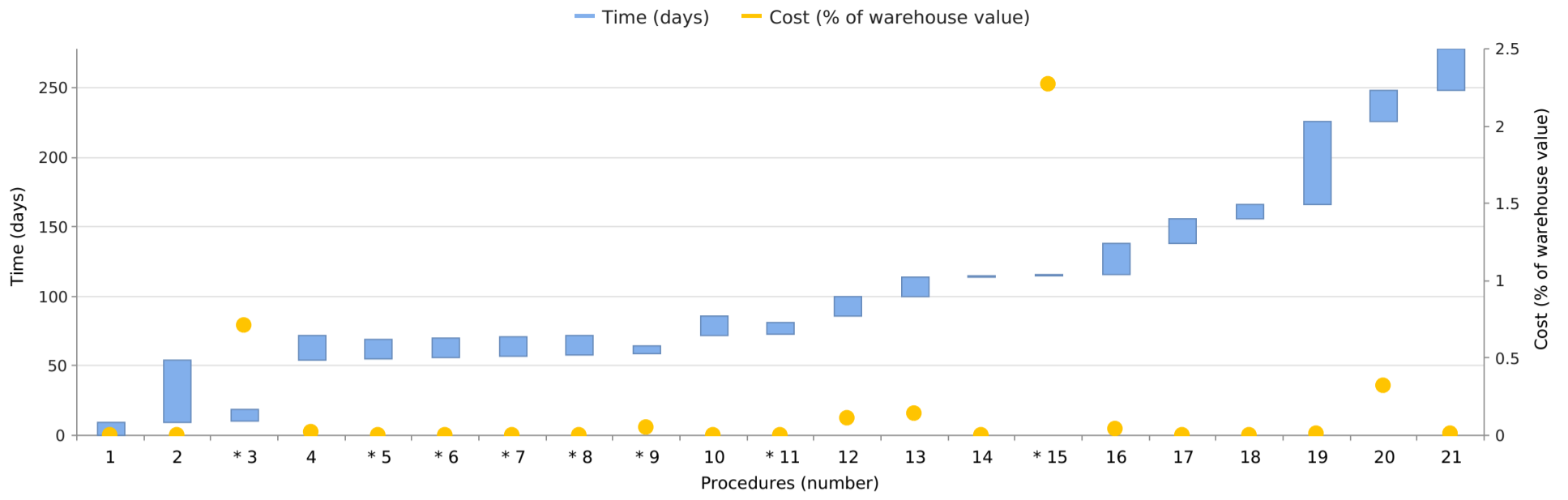


Figure - Dealing with Construction Permits in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

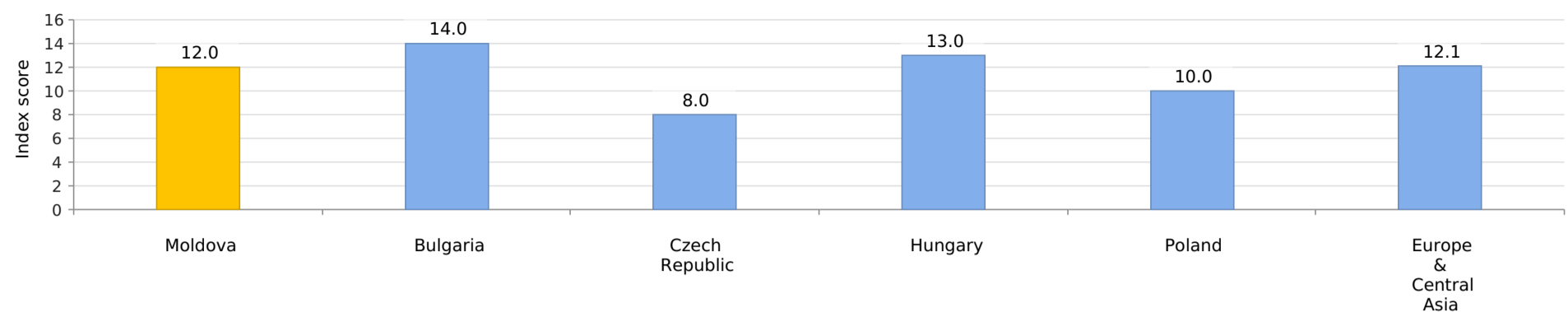
Figure - Dealing with Construction Permits in Moldova - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Moldova and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Moldova - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain extract from the cadastre with the cadastral plan of the land plot</b>  <i>Agency: Cadastre</i>            BuildCo has to obtain the extract form cadastre together with the cadastral maps of the land plot. This will be required for obtaining the city planning certificate.</p>	9 days	MDL 51
2	<p><b>Request and obtain a city planning certificate</b>  <i>Agency: General Direction on Architecture, Urbanism and Land Relations (Municipal Council)</i>            According to the Law Nr. 163 from 09.07.2010 on "permission of construction works", in order to obtain the city planning certificate the applicant has to provide an application and the following documents:            a) an extract from the Register of immovable property issued by the local cadastral offices, accompanied by the cadastral plan and / or plan of the property;            b) the identity of the person - for individuals or a certificate of registration - for legal entities;</p> <p>The time limit, as specified by Law Nr. 163 from 09.07.2010 on "permission of construction works" is 20 business days if there are city planning documentation available for that particular land plot and 30 business days in case such documentation does not exist.</p>	45 days	MDL 50
⇒ 3	<p><b>Obtain geo-technical study / soil test</b>  <i>Agency: Private licensed company</i>            A soil test is a necessary step for development of the project. The soil investigation helps to determine the bearing capacity of the land, which helps to determine the load capability, the type and depth of foundation, in order to make sure to select a suitable construction technique.</p>	9 days	MDL 20,000
4	<p><b>Request and obtain clearance from the Municipality's Zoning and Road Construction Division (Directia General Cai de Transport si Comunicatii)</b>  <i>Agency: Municipality's Zoning and Road Construction Division (Directia General Cai de Transport si Comunicatii)</i>            BuildCo must contact the Municipality's Zoning and Road Construction Division if the building is less than 10 meters from an existing road. This authority has discretionary power and often requires other documents in addition to the ones publicly listed.</p>	18 days	MDL 600
⇒ 5	<p><b>Request and obtain location clearance from the Fire Department</b>  <i>Agency: Fire Department</i>            BuildCo must receive approval from the Fire Department, which is then considered by the Design Institute in developing the city planning documentation. This procedure is the first in a series of initial procedures that could run in parallel.</p> <p>Although Cabinet Decision No. 920, dated August 30, 2005, states that this process is free of charge, in practice, a cost is incurred.</p>	14 days	MDL 100
⇒ 6	<p><b>Request and obtain technical conditions from electricity provider company</b>  <i>Agency: Gas Natural Fenosa</i>            BuildCo has to obtain technical conditions form the Electricity provider company. technical conditions are required for preparing the project design documentation and obtaining a building permit.</p>	14 days	no charge
⇒ 7	<p><b>Request and obtain technical conditions for water and industrial sewage from Apa Canal</b>  <i>Agency: Apa Canal</i>            After the application is submitted, it takes one week for it to be considered and another week for BuildCo to receive an answer. Technical conditions for water and sewerage are obtained at this stage.</p>	14 days	no charge
⇒ 8	<p><b>Request and obtain technical conditions for sewage system from Exdrupo</b>  <i>Agency: Exdrupo</i>            A separate specification is obtained from Exdrupo (the urban roads and bridges management authority) on rainwater drainage.</p>	14 days	no charge

⇒ 9	<p><b>Request and obtain city planning guidelines (red lines) from Design Institute of Moldova on Engineering and Research Works</b></p> <p><i>Agency:</i> Design Institute of Moldova on Engineering and Research Works or Private Licensed Firms</p> <p>BuildCo hires a licensed design institute to prepare a complete, relevant set of city planning guidelines (red lines) which specify zoning regulations of the land plot.</p>	5 days	MDL 1,500
10	<p><b>Obtain project clearance from the Chief Architect of the Municipality</b></p> <p><i>Agency:</i> Chief Architect of the Municipality</p> <p>According to the Law No. 163 from 09.07.2010 on "permission of construction works" project documentation, developed on the basis of urban planning certificate for design has to pass a clearance by the chief architect. The chief architect has to approve the following sections of the project documentation: a master plan (situational plan, alignment plan), facades, color schemes, the project organization of construction works, external engineering networks.</p>	14 days	no charge
⇒ 11	<p><b>Request and obtain expertise clearance from the Fire Department</b></p> <p><i>Agency:</i> Fire Department</p> <p>The Fire Department must approve the completed set of designs and drawings after the conditions have been assigned. BuildCo must visit the Fire Department to obtain the expertise consultation rather than go through the Department of Verification and Expertise.</p>	8 days	no charge
12	<p><b>Request and obtain expertise of project documents at the State Service for Verification and Expertise of Projects in Construction</b></p> <p><i>Agency:</i> State Service for Verification and Expertise of Projects in Construction</p> <p>The State Service for Verification and Expertise of Projects in Construction was reformed in September 2006, giving it responsibility for undertaking an internal verification of technical conditions with all the utilities authorities.</p>	14 days	MDL 3,000
13	<p><b>Request and obtain construction permit from the local City Planning Services Agency (Municipality)</b></p> <p><i>Agency:</i> City Planning Services Agency (Municipality)</p> <p>According to the Law No. 163 from 09.07.2010 on "permission of construction work", Building Permit is issued within 10 working days from the date of registration of the application. The application shall be accompanied with the following documents:</p> <ol style="list-style-type: none"> <li>an extract from the Register of immovable property issued by the local cadastral offices, with the attachment of the cadastral plan and / or plan of the property;</li> <li>city planning certificate for project design;</li> <li>an extract from the project documentation on the following sections: explanatory note, the general plan (situational plan, alignment plan), facades, color schemes, the project organization of construction works, agreement with the chief architect;</li> <li>an opinion on the project documentation (sections: general plan, architecture, design) or a single report on the audit of project documentation;</li> <li>identification - for individuals or a certificate of registration - for legal entities;</li> <li>an agreement on supervision, signed by the applicant (customer) and the designer;</li> </ol>	14 days	MDL 3,902
14	<p><b>Notify the construction authorities and the State Construction Inspectorate about the start of construction</b></p> <p><i>Agency:</i> Construction Authorities and State Construction Inspectorate</p> <p>At least 5 days before starting construction, BuildCo must notify the construction authorities in writing. The written notification is submitted in person and must be also filed with the State Construction Inspectorate no less than 30 days prior to the start of construction. If construction begins without prior written notification, certain sanctions would be applied against the company.</p> <p>The construction period begins the day the permit is issued. Relevant authorities and ministries may require BuildCo to provide valid proof of the legality of the start of construction work.</p>	1 day	no charge
⇒ 15	<p><b>Hire an external technical supervisor</b></p> <p><i>Agency:</i> Licensed Engineer</p> <p>The Government Decree no. 318 dated 23.05.2017 on amending a number of Government Decrees streamlined the inspections procedure. According to Article 43 of the Law No 285 on Approval of the Regulations on Acceptance of Construction Works and Installed Equipment dated 23.05.1996 (as amended by the previously mentioned Decree), the investor needs to organize a technical commission, which should comprise of the architect, the construction manager and the person responsible for technical supervision, each of whom will receive a copy of the acceptance certificate. The investor may invite others to accept the work. When accepting residential buildings that exceed 5 floors, the investor is obliged to include in the acceptance committee a representative of the State Construction Inspectorate invited by a written request at least 20 days before the planned acceptance day.</p> <p>Technical supervisor cannot be an employee of BuildCo.</p>	1 day	MDL 64,000
16	<p><b>Request and connect to water and sewage services</b></p> <p><i>Agency:</i> Apa Canal</p> <p>BuildCo requests a connection from the utilities. BuildCo must extend the pipelines to the connection points. The inspector visits the site, approves the connection by sealing it, and opens the water shafts.</p>	22 days	MDL 1,056

17	<p><b>Request and obtain approval of construction works from Health Department</b></p> <p><i>Agency</i> : Health Department</p> <p>After finishing the construction, BuildCo has to prepare a protocol of completion of construction works and obtain approval from each member of the working commission separately.</p>	18 days	no charge
18	<p><b>Request and obtain approval of construction works from Fire Department</b></p> <p><i>Agency</i> : Fire Department</p> <p>After finishing the construction, BuildCo has to prepare a protocol of completion of construction works and obtain approval from each member of the working commission separately.</p>	10 days	no charge
19	<p><b>Request and obtain occupancy permit from State Construction Inspectorate</b></p> <p><i>Agency</i> : State Construction Inspectorate</p> <p>The main authority in charge of issuing the occupancy permit is the State Construction Inspectorate; the chief architect has the definitive word on the decision. The other authorities that must sign the occupancy permit are the Health Department, the Bureau of Technical Inventory (BTI), and the Fire Department, among others.</p> <p>As a rule, the Commission does not meet. Instead, BuildCo must request the signatures on an individual basis. The agencies that issue technical conditions must also give their approval. According to Cabinet Decision No. 285, final approval is completed within 15 days of the guaranteed term provided in the contract, which could be 5 days or 60. On average, it takes 60 days to obtain the occupancy permit.</p>	60 days	MDL 330
20	<p><b>Hire a cadastral surveyor to prepare a report</b></p> <p><i>Agency</i> : Licensed Cadastral Engineer</p> <p>BuildCo has to provide technical and cadastral plans of the building in order to be able to register the building at the Bureau of Technical Inventory. BuildCo has to hire an external cadastral surveyor to determine the boundary of real property on the ground.</p>	22 days	MDL 9,104
21	<p><b>Register the building at the Bureau of Technical Inventory (BTI)</b></p> <p><i>Agency</i> : Bureau of Technical Inventory (BTI)</p> <p>Seals are put on six copies of the blueprints; BuildCo is given one copy.</p>	30 days	MDL 250

⇒ Takes place simultaneously with previous procedure.



## Details - Dealing with Construction Permits in Moldova - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>12.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>1.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Required preapprovals.	0.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections by external engineer or firm; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, in-house engineer submits report for final inspection; Yes, external engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>1.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Passing a certification exam.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam. 2.0

## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Moldova

Standardized Connection

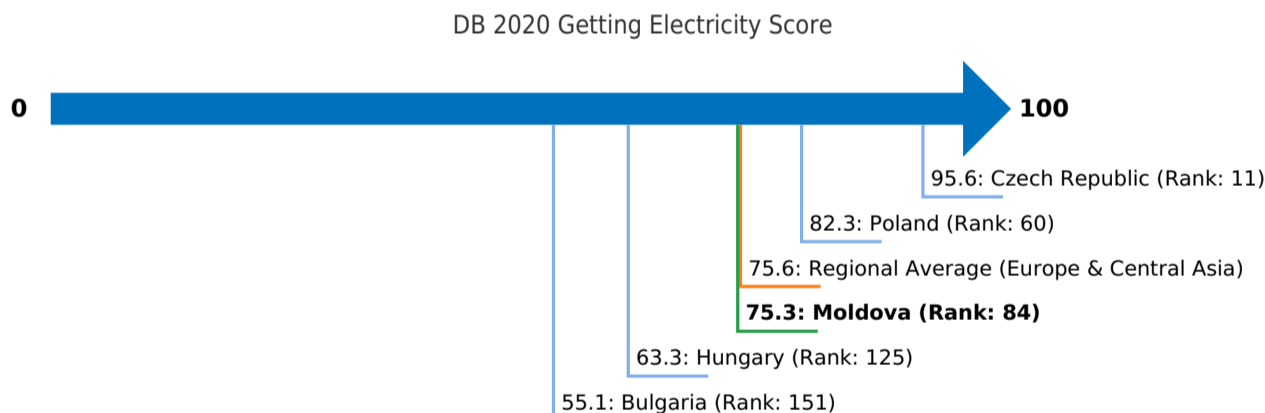
Name of utility	ICS RED Union Fenosa S.A.
Price of electricity (US cents per kWh)	8.5
City Covered	Chisinau

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	6	5.1	4.4	3 (28 Economies)
Time (days)	87	99.6	74.8	18 (3 Economies)
Cost (% of income per capita)	515.8	271.9	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	7	6.2	7.4	8 (26 Economies)

Figure - Getting Electricity in Moldova - Score

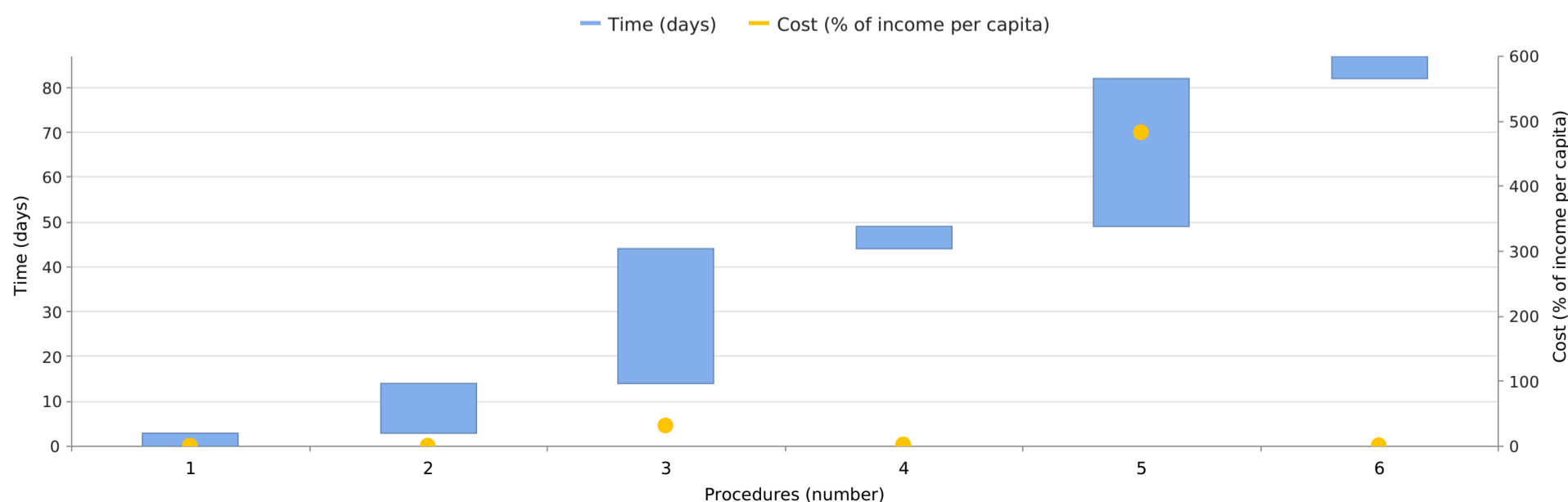


Figure - Getting Electricity in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Moldova - Procedure, Time and Cost

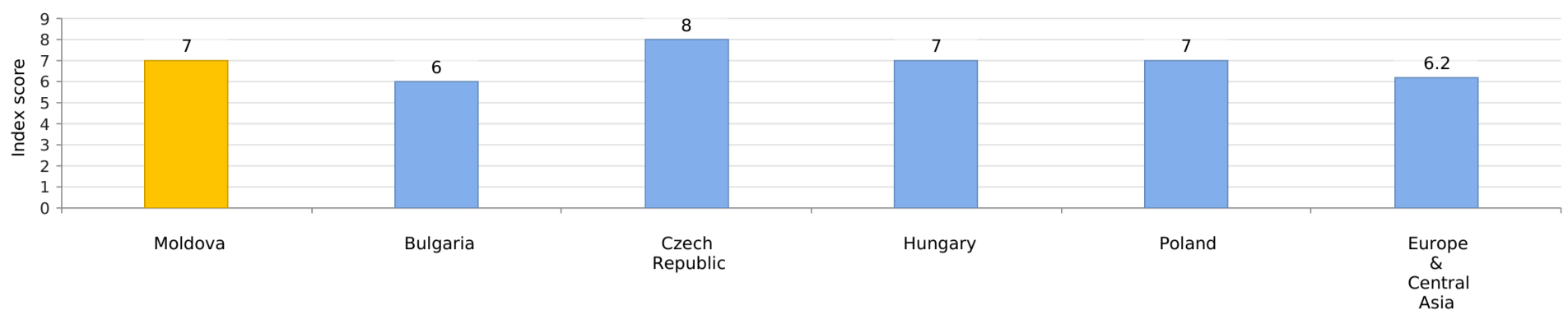


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures

reflected here, see the summary below.

**Figure - Getting Electricity in Moldova and comparator economies - Measure of Quality**



## Details - Getting Electricity in Moldova - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to ICS RED Union Fenosa SA and await site inspection</b>  <i>Agency:</i> ICS RED Union Fenosa S.A.            The application for an electricity connection is submitted in person. Currently, it is possible to submit an online application. The following information and documents are required: Name of the company and its address; business sector; required load; level of supply reliability; nominal voltage at the connection point; ownership certificate or certificate of the right to use; Urban Planning certificate. If the required load is above 50 kW then the utility also requires calculation of the load where it is specified for what purposes the load will be used.</p> <p>ICS RED Union Fenosa S.A. carries out an external inspection of the site before issuing technical conditions.</p>	3 calendar days	MDL 0
2	<p><b>Receive site inspection and await technical conditions</b>  <i>Agency:</i> ICS RED Union Fenosa S.A.            ICS RED Union Fenosa S.A. carries out an external inspection of the site before issuing technical conditions.</p>	11 calendar days	MDL 0
3	<p><b>Await completion of external connection design by private company</b>  <i>Agency:</i> Private electrical design company            Given the assumed load a project design of the external connection is required. After the technical conditions are issued the electrical design company prepares the design of the external connection and obtains from various government organizations documents certifying compliance of the project. If there is a crossing of the road during the project design stage the hired company gets the approval of the project in a number of organizations including communications, water, gas depending on what is required.</p> <p>The project institute obtains approvals in various government agencies, such as: Natural gas provider (Kishineu gas); Trolley Bus company; Zelentrest; Road Police; Termocom (heating service provider); Urban planning department of the municipality; Moltetelecom (this is telephone provider. The road might be crossing tel. lines); RED UNION FENOSA.</p>	30 calendar days	MDL 17,500
4	<p><b>Obtain excavation permit</b>  <i>Agency:</i> Department of City Planning and Architecture            The hired electrical contractor must obtain the permit before completing the excavation works.</p>	5 calendar days	MDL 1,100
5	<p><b>Await completion of external works, including meter installation, by electrical contractor</b>  <i>Agency:</i> Private electrical installation company            Although, according to the "Law of electricity" from 05.27.16, the customer have now an option to request the utility to implement the external connection works, this has not yet become a practice and customers prefer hiring a private electrical installation company to do it.            Before the works can start it is required to receive a permit for turn off the power. It takes 10-20 days to receive the permit and the electricity users are notified that the power will be turned off. After the design is approved, an electrical contractor carries out external connection works according to the technical conditions and the design.            The electrical contractor purchases all the materials, including the meter. The materials can be purchased from any retailer. The meter has to be bought at ICS RED Union Fenosa S.A. and certified by ICS RED Union Fenosa S.A. The meter is installed by the electrical contractor. At the end of the external works two electrical engineers fill out documents certifying compliance with technical conditions. One of the electrical engineers is in charge of testing the installed equipment and the other one is in charge of filling out documents necessary to receive operation permit.</p>	33 calendar days	MDL 271,874.5
6	<p><b>Sign supply contract and contract assigning responsibilities for repair and maintenance; await final connection</b>  <i>Agency:</i> ICS RED Union Fenosa S.A.            The customer submits the operation permit to ICS RED Union Fenosa S.A. and signs a supply contract on the same day, and electricity starts flowing. On the basis of this Act ICS RED Union Fenosa SA prepares a document on division of responsibilities, which is considered as a supplement to the supply contract and prepares supply contract.</p>	5 calendar days	MDL 355.99

⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Moldova - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	7
<b>Total duration and frequency of outages per customer a year (0-3)</b>	2
System average interruption duration index (SAIDI)	1.3
System average interruption frequency index (SAIFI)	1.5
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.gasnaturalfenosa.md/download/legisla-ia-secundar">http://www.gasnaturalfenosa.md/download/legisla-ia-secundar</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.



## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

#### The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

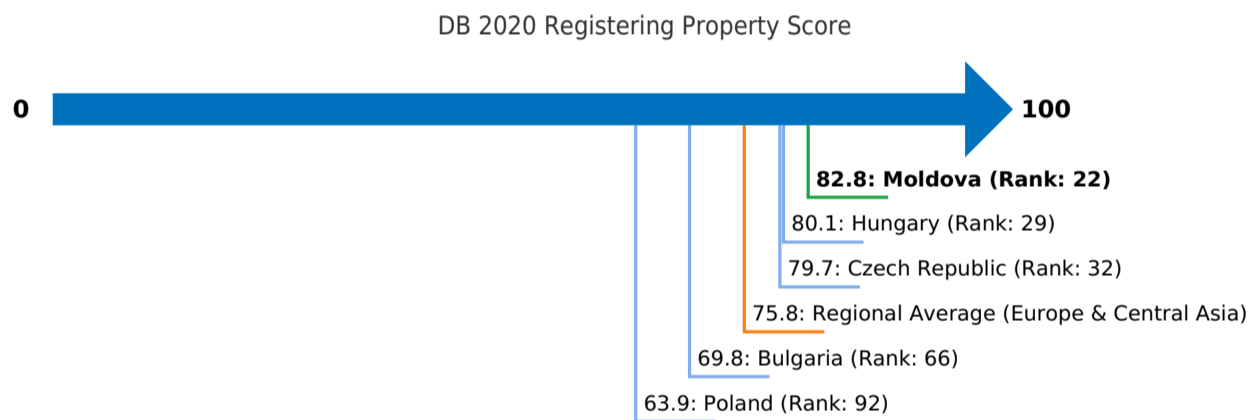
Registering Property - Moldova

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	5	5.5	4.7	1 (5 Economies)
Time (days)	5.5	20.8	23.6	1 (2 Economies)
Cost (% of property value)	1.0	2.7	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	22.0	20.4	23.2	None in 2018/19

Figure - Registering Property in Moldova - Score

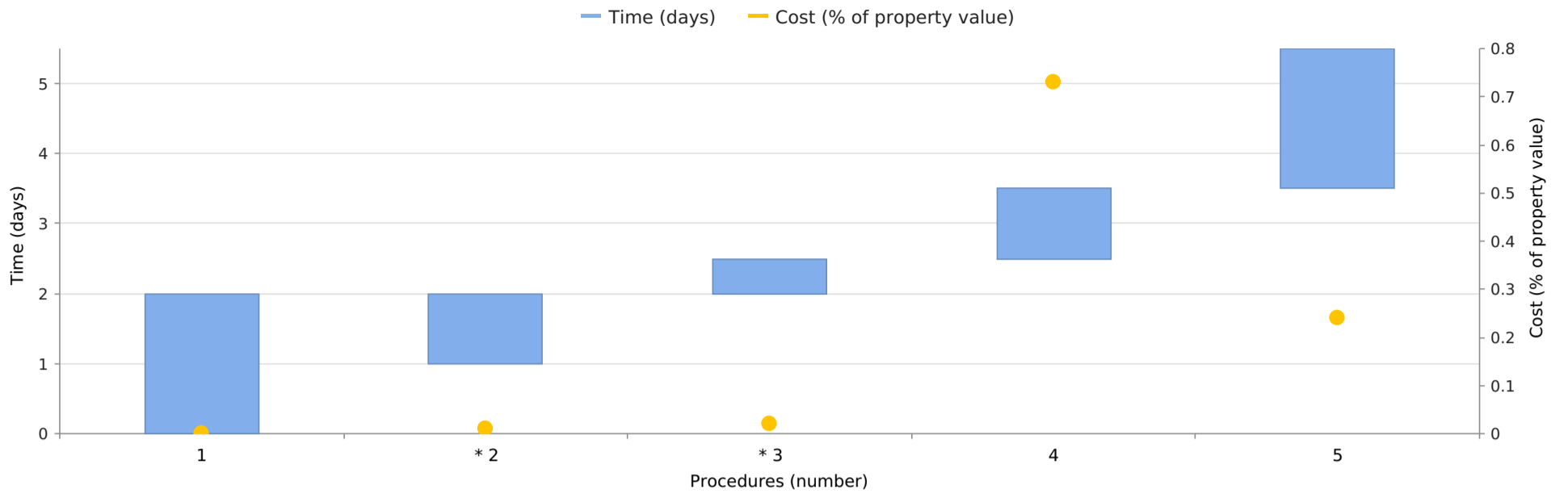


Figure - Registering Property in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

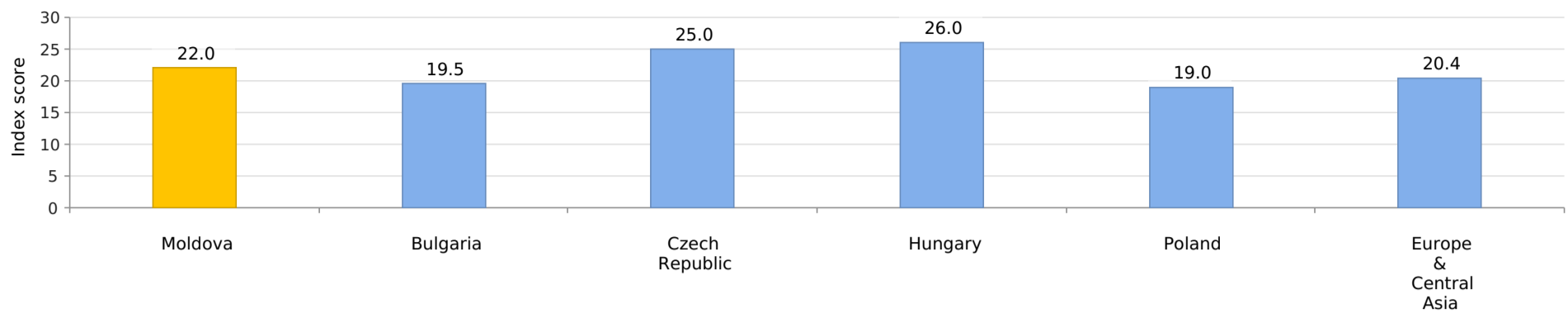
Figure - Registering Property in Moldova - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Moldova and comparator economies - Measure of Quality



## Details - Registering Property in Moldova - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a tax clearance certificate from the Tax Office</b>  <i>Agency: State Tax Service</i>            The tax clearance certificate is to confirm absence of any debts to the state budget of the Republic of Moldova, including absence of unpaid taxes in connection with the real estate which is object of the transaction. This means that the applicant will not obtain a tax clearance certificate if debts to the state budget are detected, even if such debts does not refer to the real estate which is object of the transaction.</p> <p>As of June 7, 2018, the tax clearance certificate is no longer required by law, however it is still obtained in practice at the request of the buyer.</p>	2 days	no charge
⇒ 2	<p><b>Obtain the Excerpt from the State Register of Legal Entities</b>  <i>Agency: Public Services Agency</i>            The excerpt from the State Register of legal entities of the Republic of Moldova is obtained on basis of the following documents:            1) request on basis of a template provided by the State Chamber of Registration;            2) identification card of the applicant;            3) confirmation of payment of the State chamber of Registration fee.</p>	1 day	MDL 330; (MDL 110 the excerpt to be issued within 3 business days; MDL 220 the excerpt to be issued within 2 calendar day or 1 business day; MDL 330 the excerpt to be issued within 1 holiday / non-business day or within 4 business hours; MDL 440 the excerpt to be issued in 1 business hour. Please note that bank commissions can apply (e.g. MDL 1 / excerpt.)
⇒ 3	<p><b>Obtain the extract from the Cadastral registry and the certificate on the immovables value from the Cadastre</b>  <i>Agency: Public Services Agency</i>            The non-encumbrance certificate from the Territorial Cadastre Office is locally known as the excerpt from Real Estate Register for the purpose of transactions. The validity of the excerpt from the Real Estate Register is of two months as of the date of its issuance. The property transfer operation has to be performed within the stated validity period of the excerpt. The excerpt can be requested only either by the owner of the concrete real estate or a person duly empowered by the respective owner.</p> <p>Additionally, the notary is to authenticate the property transfer transaction demands a certificate concerning the value of property put on sale. If the Real estate register does not contain the value of the property, such value has to be calculated pursuant to the Methodology approved by the Law 393/2006. In particular cases the value of the property can also be determined on basis of value included in the insurance policy issued in respect of the property or the valuation issued by a licensed person (art. 3 Law 271/2003 on the Methodology for calculating notary fees).</p>	Less than one day, online	MDL 495; (Real Estate Register excerpt: MDL 51 (regular service) to be issued within 3 business days; MDL 255 (expedited service) to be issued within 1 business day.  Certificate on the value of the immovable asset: MDL 48 (regualr services) to be issued within 3 business days; MDL 240 (expedited service) to be issued within 1 business day.)

4	<p><b>Execution of the transfer deed by a public notary</b>  <i>Agency</i> : Public Notary</p> <p>The following documents are to be presented by the Seller and the Buyer of the Real estate for the purpose of the authentication of the sale-purchase agreement:</p> <ol style="list-style-type: none"> <li>1) the Buyer's and the Seller's registration certificates / decisions on registration of the companies (in original);</li> <li>2) a valid excerpt from the Real estate register for the purpose of transactions in respect of the property to be transferred (in original);</li> <li>3) original excerpts from the State Register of legal entities for both the Seller and the Buyer;</li> <li>4) originals of the constitutive documents of the Seller and of the Buyer, including all performed amendments or legalized copies thereof;</li> <li>5) the decisions of the competent corporate bodies of the Seller and of the Buyer to sell and, respectively, to purchase the property (depending on the concrete provisions of the parties' constitutive documents and / or of the applicable legislation);</li> <li>6) identification cards of the persons which are empowered to sign the sale-purchase agreement on behalf of the Seller and of the Buyer, including the authenticated powers of attorney (in case the agreement is signed by persons, other than those that are competent to sign on behalf of the entities on basis of the constitutive documents or applicable legislation);</li> <li>7) documents confirming the Seller's ownership right over the property which is to be sold;</li> <li>8) an evaluation certificate issued by the Territorial Cadastral Office;</li> <li>9) a tax clearance certificate obtained by the Seller as per Procedure 1 (As of June 7, 2018, the tax clearance certificate is no longer required by law, however it is still obtained in practice at the request of the buyer.)</li> </ol> <p>In particular cases the notary can require that the parties produce / legalize copies of their corresponding constitutive documents to be kept in the notary's file and used for the purpose of registering the transfer with the Cadastre.</p> <p>All types of land sale and certain types of construction / building sales are to be compulsory executed in the authenticated form. Although Moldovan legislation leaves margin for interpretation that certain types of real estate transactions (i.e. sales of certain constructions / buildings, donations of land, etc.) do not require authenticated form, in order to avoid lengthy court proceedings (e.g. with the Cadastre) it is highly recommendable to execute all real estate sales transactions (property transfer deeds) in authenticated form. A real estate sale transaction is subject to a state tax equal to 0.5% (Art. 3(9)c) Law 1216/1992) of the agreement price, but not less than 0.5% of the value of property as indicated in the Cadastre. The notary fee depends on the transaction value; and can constitute between 1.3% (but not less than MDL 120) and 0.1% of the agreement price (with a rate of 0.5 in case the agreement price is less than MDL 800,000) (Art. 8 of 'Notary Fee Law of 2003 (271/2003)'). For certain transactions separate state fees are applicable: e.g. MDL 5 for sale of agricultural land, etc. All fees / taxes in connection with a title transfer are bared by the Buyer, unless otherwise agreed by the parties.</p>	1 day	<p>MDL 20,655.07; (MDL 0.5% of agreement price (state tax) + Notary's fees according to the values determined in the following according to the Law on Notary Fees from 2003 (Law 271/2003):</p> <p>Up to MDL 20,000 - fee is 1,3 %, but not less than MDL 180  From MDL 20,001 to 50,000 - fee is 1.0%  From MDL 50,001 to 100,000 - fee is 0.9%  From MDL 100,001 to 200,000 - fee is 0.8%  From MDL 200,001 to 400,000 - fee is 0.6%  From MDL 400,001 to 600,000 - fee is 0.5%  From MDL 600,001 to 800,000 - fee is 0.3%  From MDL 800,001 to 1,000,000 - fee is 0.2%  More than MDL 1,000,001 - fee is 0.1%)</p>
5	<p><b>Submit the application for registration to the Cadastre</b>  <i>Agency</i> : Public Services Agency</p> <p>A notary-authenticated real estate sale purchase agreement is not opposable towards third parties. To make it opposable, the Buyer must register the title with the Territorial Cadastre Office (Real Estate Register). The ownership title is considered to be passed to the Buyer only as of the moment the Buyer registered it with the Real Estate Register. A standard registration procedure lasts up to 7 business days and is subject to a fee of 0.06% of the overall transaction value of real estate, but not less than MDL 267 and not more than MDL 1,335 in standard option (pt. 4.2. Annex 1 to the Government Decision no.770/2007 ). In order to speed up the registration, the applicant can pay the triple the fee for 3 day registration, or five times the size of the normal fee for 1 day registration. In practice, the fastest procedure is preferred. A cash payment is made at the office. The registration fee with the Cadastre is not subject to VAT.</p>	2 days	<p>MDL 6,675; (There are different costs depending on the timing, as follows:</p> <ol style="list-style-type: none"> <li>(i) 7 working days: fee of 0.06% of the overall transaction value, but not less than MDL 267 and not more than MDL 1,335.</li> <li>(ii) 3 working days: fee of 0.06%*3, but not less than MDL 801 and not more than MDL 4005.</li> <li>(iii) 1 working day: fee of 0.06%*3, but not less than MDL 1,335 and not more than MDL 6675.)</li> </ol>

⇒ Takes place simultaneously with previous procedure.

## Details - Registering Property in Moldova - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>22.0</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>8.0</b>
Type of land registration system in the economy:		
What is the institution in charge of immovable property registration?	Public Services Agency	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:		
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>4.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.asp.gov.md/ro/node/514">http://www.asp.gov.md/ro/node/514</a>	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.asp.gov.md/ro/bunuri-imobile">http://www.asp.gov.md/ro/bunuri-imobile</a> <a href="http://www.asp.gov.md/ro/persoane-juridice">http://www.asp.gov.md/ro/persoane-juridice</a>	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://cadastre.md/images/uploads/1.1.2.pdf">http://cadastre.md/images/uploads/1.1.2.pdf</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:	46957.0	
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://asp.gov.md/ro/e-services">http://asp.gov.md/ro/e-services</a>	

Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://asp.gov.md/ro/e-services">http://asp.gov.md/ro/e-services</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>4.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>5.5</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Art. 37/1 Law no.1543 dated 25 February 1998 "on the real estate cadastre", Art. 499 Civil Code no.1107 dated 6 June 2002	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Under Article 46 para. (1) and Art. 127 para. (2) of the Constitution of the Republic of Moldova private property is guaranteed and the State guarantees enforcement of property rights. Under Article 290 (1) of the Civil Code ownership and real rights over real property, modification and termination of such rights are subject to state registration. Also, pursuant to Article 5 para. (1) and Article 4 para. (2)-(3_ of the Law on Real Estate Cadastre No 1543 dated 25 February 1998, registration of land is subject to mandatory state registration. Also, property rights on real estate are opposable to third parties only upon registration authority may not refuse registration except for grounds strictly provided by law (i.e. the documents do not meet the formal requirements).	



Is there a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Legal basis:	Law on Real Estate Cadastre No 1543 dated 25 February 1998: Under Article 49 of the said law for the purpose of recovery of any damage caused to immovable property holders a guarantee fund shall be established and if the guarantee fund does not have sufficient resources for compensation, it shall be supplemented by increasing the amount of the contributions to the guarantee fund. Under Article 50 of the said law, holder of real rights is entitled to a compensation for any damages caused due to incorrect registry entry or erroneous modification or ungrounded refusal to record the right committed by the registrar with guilt. Compensation shall be paid only after the first transaction performed after the primary registration and based on a court judgement. Under Article 51, the good faith purchaser acquiring real estate property from a person registered in error in the real estate register as the owner, the good faith purchaser is entitled to maintain ownership.	
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	Judicial Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	No	0.0
Number of land disputes in the economy in 2018:		

**Equal access to property rights index (-2-0)****0.0**

Do unmarried men and unmarried women have equal ownership rights to property?

Yes

Do married men and married women have equal ownership rights to property?

Yes

0.0

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

*Doing Business* assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

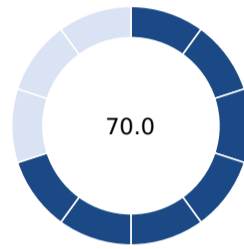
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Moldova

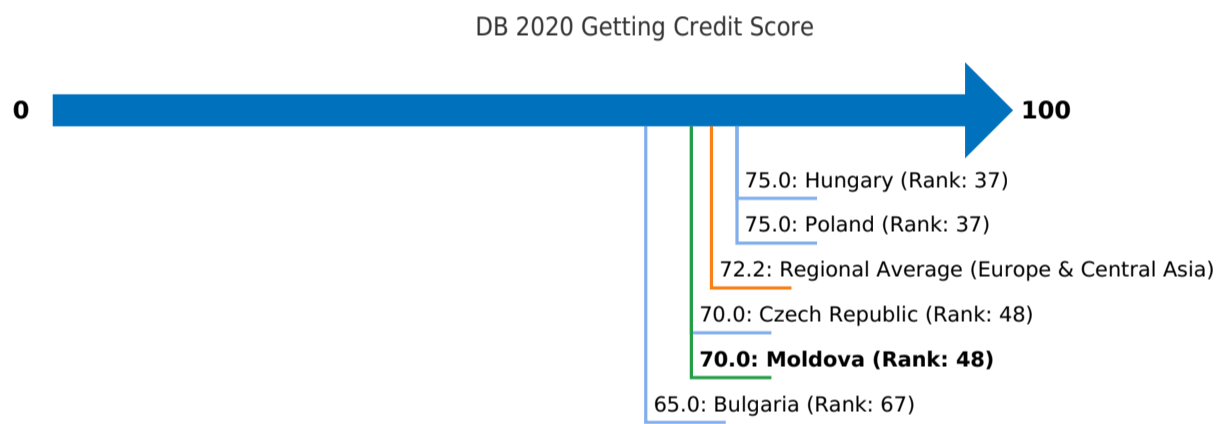
Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	8	7.8	6.1	12 (5 Economies)
Depth of credit information index (0-8)	6	6.7	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	0.0	24.0	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	18.2	41.7	66.7	100.0 (14 Economies)

Figure - Getting Credit in Moldova - Score



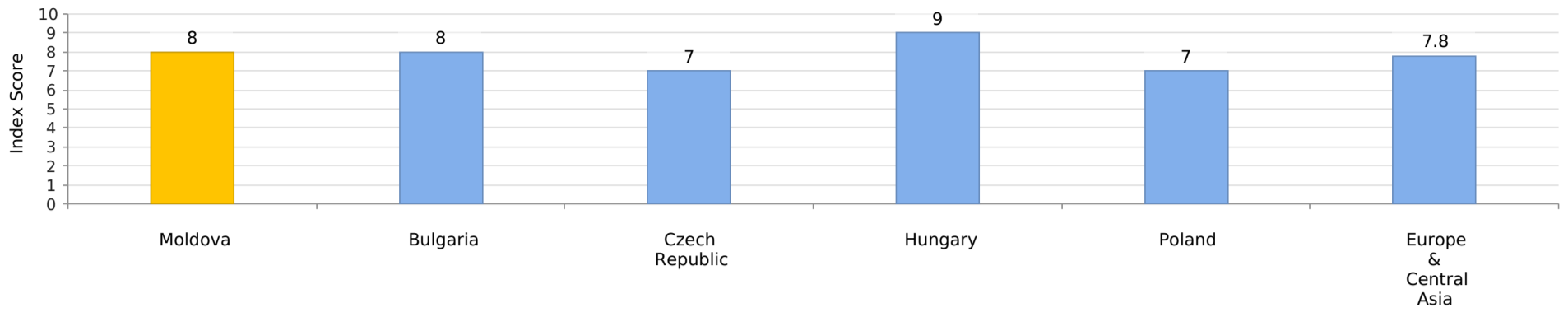
Score - Getting Credit

Figure - Getting Credit in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Moldova and comparator economies



Details - Legal Rights in Moldova

Strength of legal rights index (0-12)

8

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? No

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? Yes

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

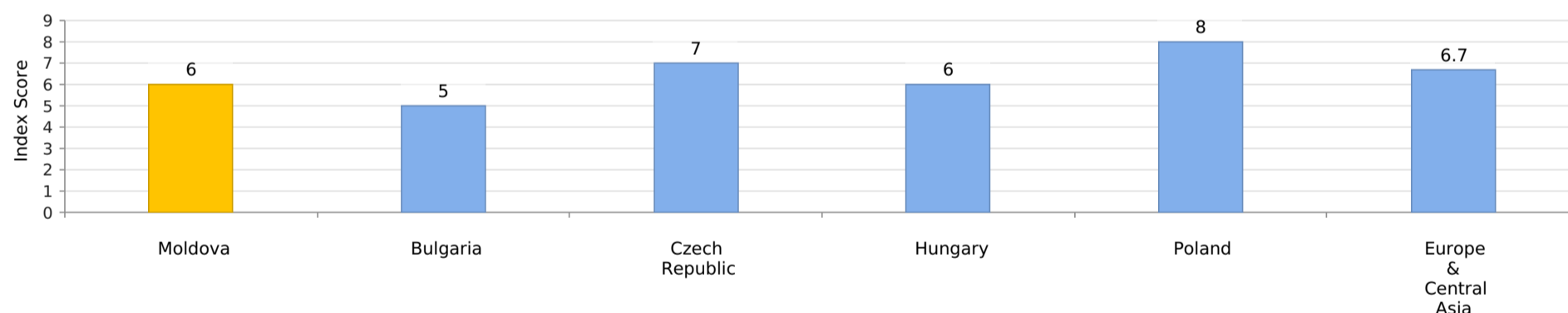
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? Yes

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? Yes

Figure - Credit Information in Moldova and comparator economies



## Details - Credit Information in Moldova

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	No	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	No	No	0

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	450,595	0
Number of firms	18,997	0
Total	469,592	0
<b>Percentage of adult population</b>	<b>18.2</b>	<b>0.0</b>

## Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

#### The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.



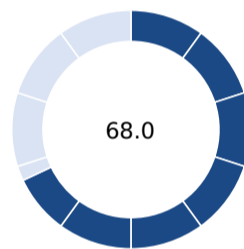
Protecting Minority Investors - Moldova

Stock exchange information

Stock exchange	Moldova Stock Exchange
Stock exchange URL	http://www.bvm.md
Listed firms with equity securities	15
City Covered	Chisinau

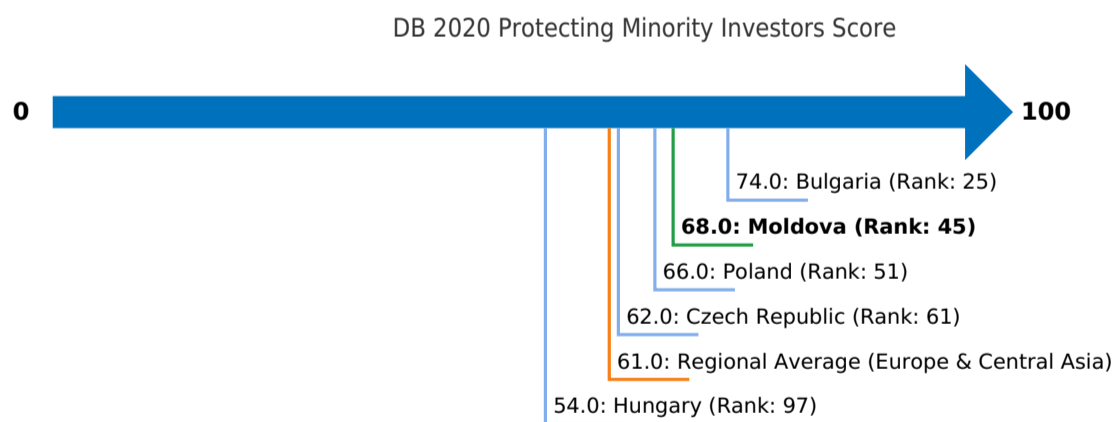
Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	7.0	7.5	6.5	10 (13 Economies)
Extent of director liability index (0-10)	4.0	5.0	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	8.0	6.8	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	5.0	3.4	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	4.0	3.7	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	6.0	4.1	5.7	7 (13 Economies)

Figure - Protecting Minority in Moldova - Score



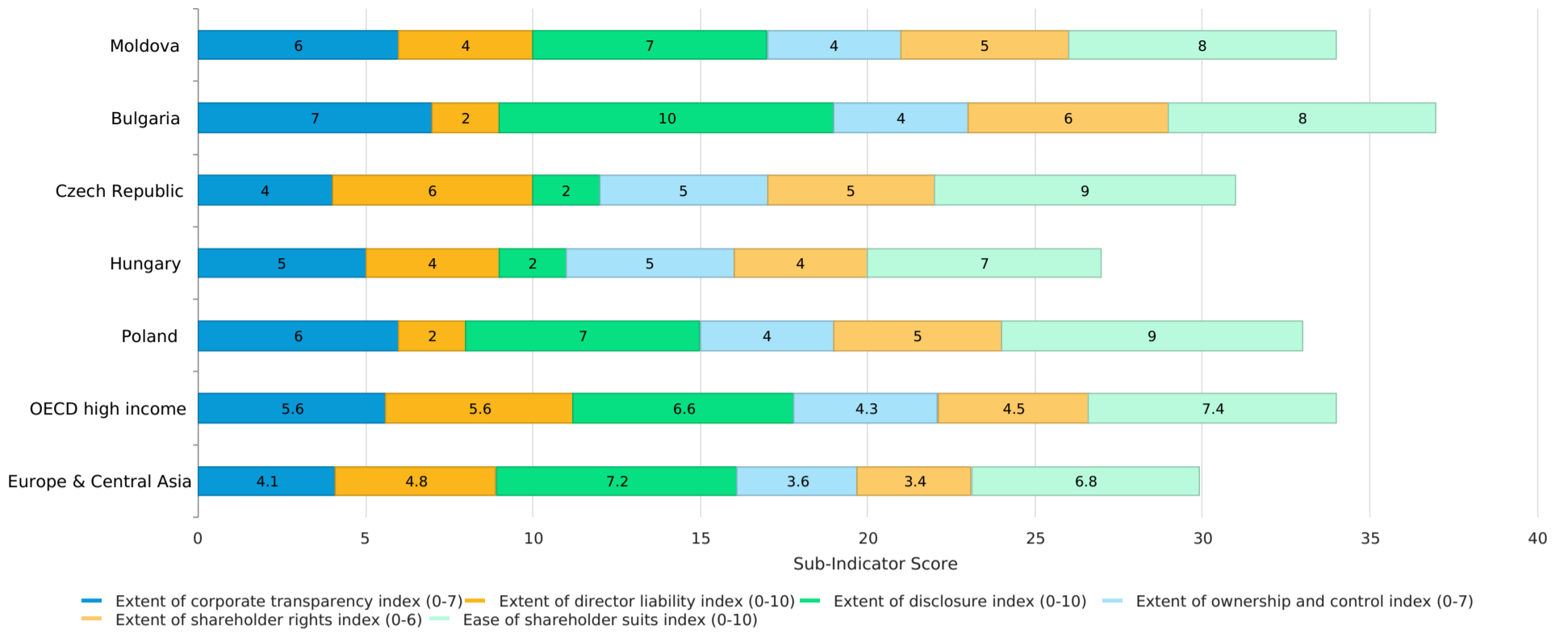
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Moldova and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Moldova - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>7.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction only	1.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction only	1.0
<b>Extent of director liability index (0-10)</b>		<b>4.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	No	0.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if unfair or prejudicial	2.0
<b>Ease of shareholder suits index (0-10)</b>		<b>8.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	No	0.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>5.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	No	0.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
<b>Extent of ownership and control index (0-7)</b>		<b>4.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	No	0.0

Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
<b>Extent of corporate transparency index (0-7)</b>		<b>6.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 - December 31, 2018). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

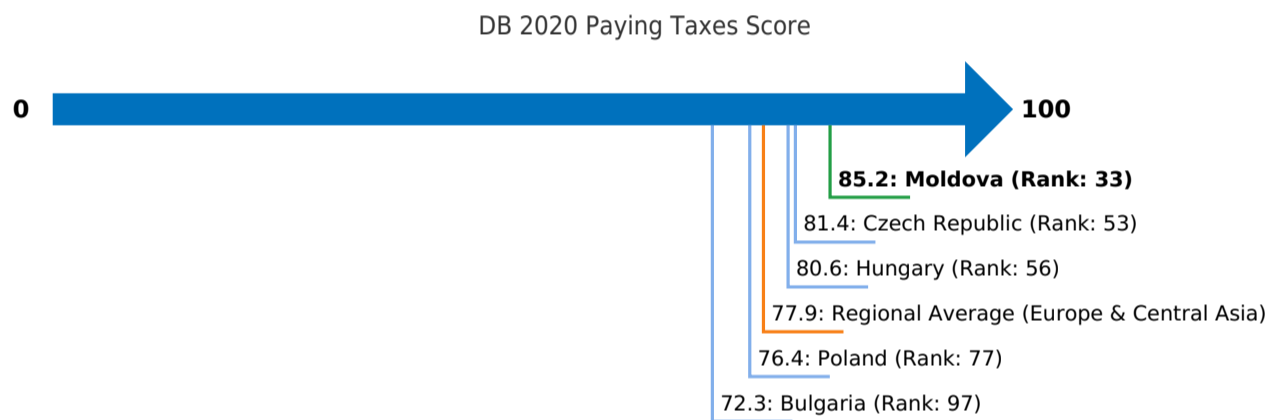
Paying Taxes - Moldova

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Payments (number per year)	10	14.4	10.3	3 (2 Economies)
Time (hours per year)	183	213.1	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	38.7	31.7	39.9	26.1 (33 Economies)
Postfiling index (0-100)	90.8	68.2	86.7	None in 2018/19

Figure - Paying Taxes in Moldova - Score

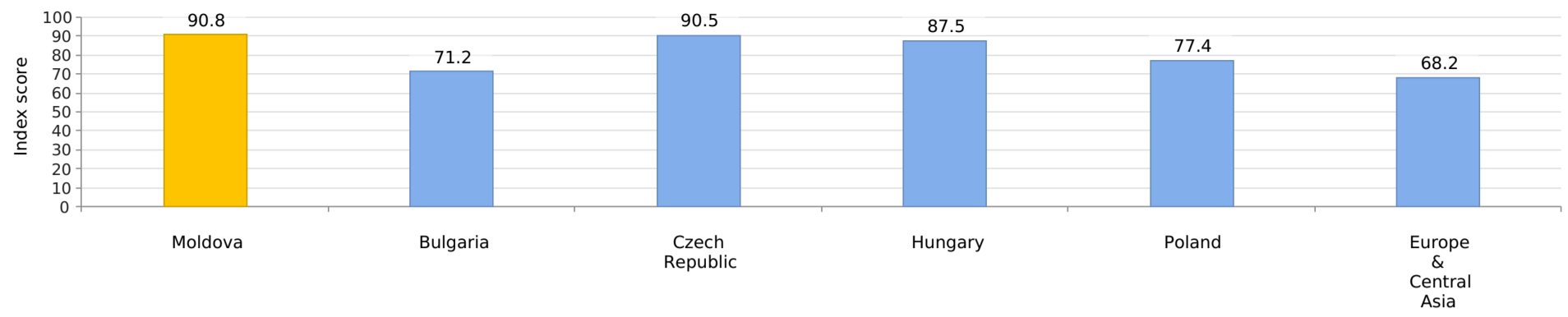


Figure - Paying Taxes in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Moldova and comparator economies - Measure of Quality



## Details - Paying Taxes in Moldova

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Social security contributions	1.0	online	86.0	23% before September 30, 2018, 18% as of October 1, 2018	gross salaries and other remuneration	24.53	
Corporate income tax	1.0	online	42.0	12%	taxable profit	8.45	
Health insurance contribution	1.0	online		4.5%	gross salaries and other remuneration	5.08	
Land improvement tax	1.0	online		MDL 80 per employee	number of employees	0.30	
Road tax	1.0	online			weight of vehicle	0.19	
Tax on immovable property	1.0	online		0.1%	book value of property	0.09	
Land tax	1.0	online		MDL 30 per 100 square meters	property area for non evaluated property	0.01	
Social security contributions - employee paid	0.0	jointly		6%	gross salaries and other remuneration	0.00	withheld
Health insurance contribution - employee paid	0.0	online and jointly		4.5%	gross salaries and other remuneration	0.00	withheld
Environmental pollution tax	1.0	online		0.1% of minimum salary	tons of non-toxic waste	0.00	
Fuel tax	1.0				included in fuel price	0.00	small amount
Value added tax (VAT)	1.0	online	55.0	20%	value added	0.00	not included
Totals	10		183			38.7	



## Details - Paying Taxes in Moldova - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	8.7
Labor tax and contributions (% of profit)	29.9
Other taxes (% of profit)	0.3

## Details - Paying Taxes in Moldova - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>90.8</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	8.0	84.5
Time to obtain VAT refund (weeks)	13.0	80.5
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	2.5	98.2
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Moldova

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	3	16.1	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	76	150.0	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	48	25.1	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	44	87.6	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	4	20.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	83	158.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	2	23.4	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	41	85.9	23.5	0 (30 Economies)

Figure - Trading across Borders in Moldova - Score

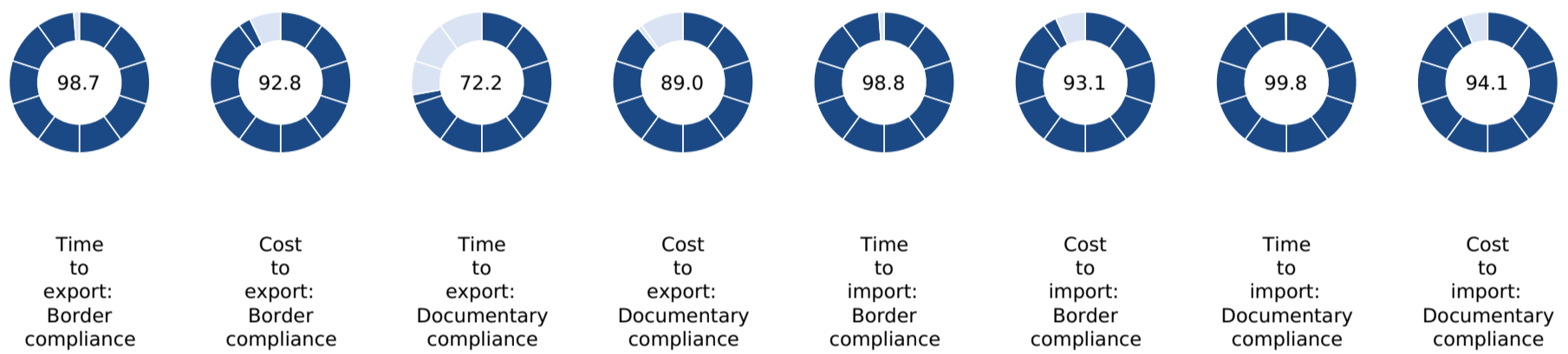
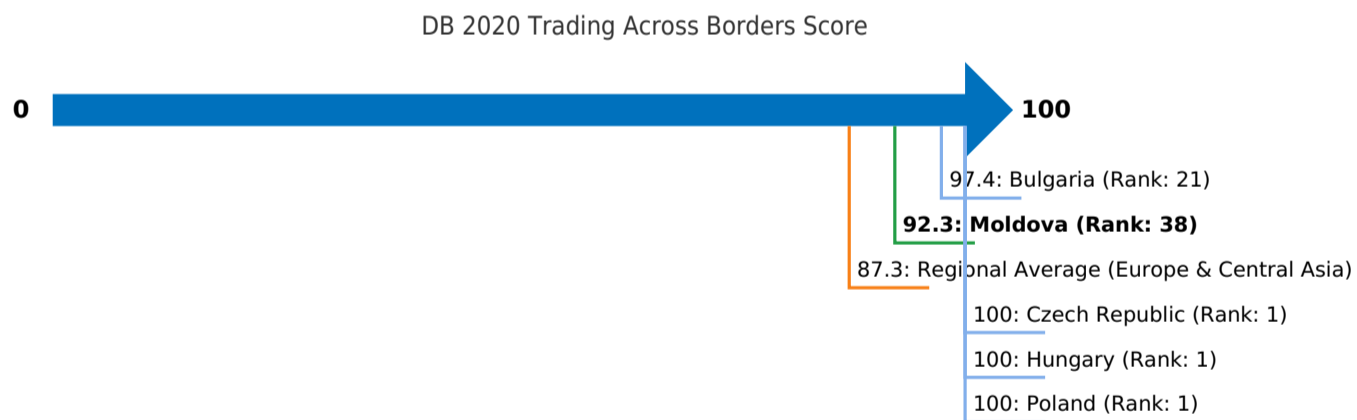
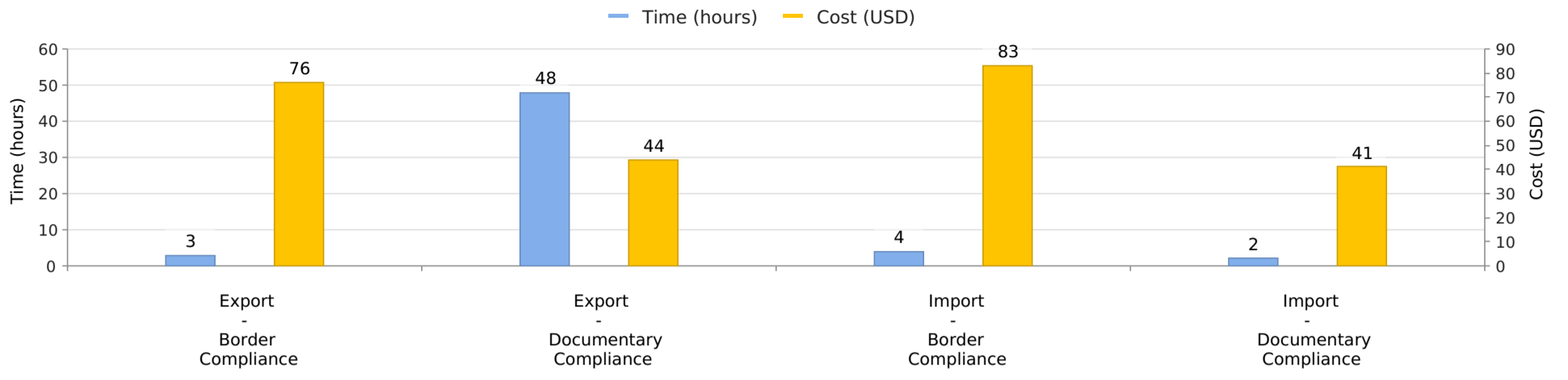


Figure - Trading across Borders in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Moldova - Time and Cost



## Details - Trading across Borders in Moldova

Characteristics	Export	Import
Product	HS 85 : Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	HS 8708: Parts and accessories of motor vehicles
Trade partner	Russian Federation	Turkey
Border	Platonove border crossing	Giurgiulesti border crossing
Distance (km)	66	227
Domestic transport time (hours)	2	5
Domestic transport cost (USD)	78	198

## Details - Trading across Borders in Moldova - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	1.0	76.1
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	2.0	0.0
Import: Clearance and inspections required by customs authorities	2.9	82.8
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	1.5	0.0

## Details - Trading across Borders in Moldova - Trade Documents

**Export****Import**

Customs Export Declaration

Customs Import Declaration

Certificate of origin

Certificate of origin

Certificate of quality

CMR waybill

Commercial invoice

Commercial invoice

Contract

Packing list

Consignment note

Sales-purchase contract

Excise stamps

License

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### Case study assumptions

The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data on the time and comparable across economies, several assumptions about the case are used:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- The judge decides in favor of the seller; there is no appeal.
- The Seller enforces the judgment through a public sale of the Buyer's movable assets.



Enforcing Contracts - Moldova

Standardized Case

Claim value	MDL 103,081
Court name	Chişinău Regional Court of First Instance
City Covered	Chisinau

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Time (days)	585	496.4	589.6	120 (Singapore)
Cost (% of claim value)	28.6	26.6	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	11.0	10.3	11.7	None in 2018/19

Figure - Enforcing Contracts in Moldova - Score

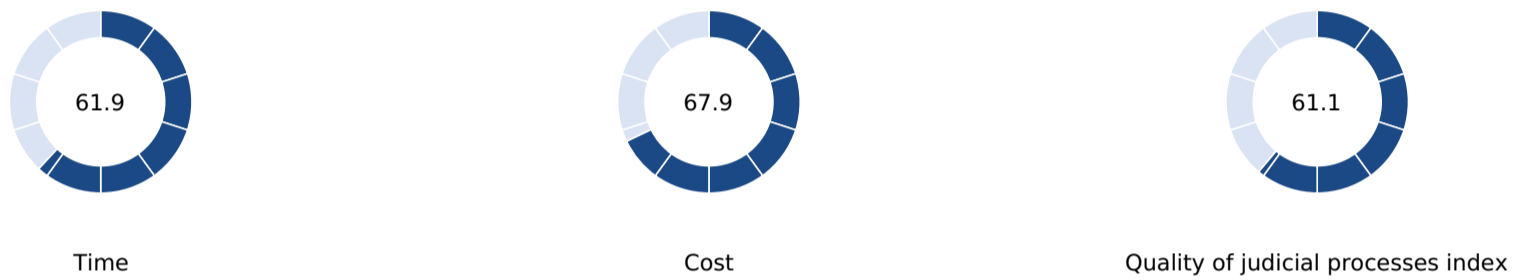


Figure - Enforcing Contracts in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Moldova - Time and Cost

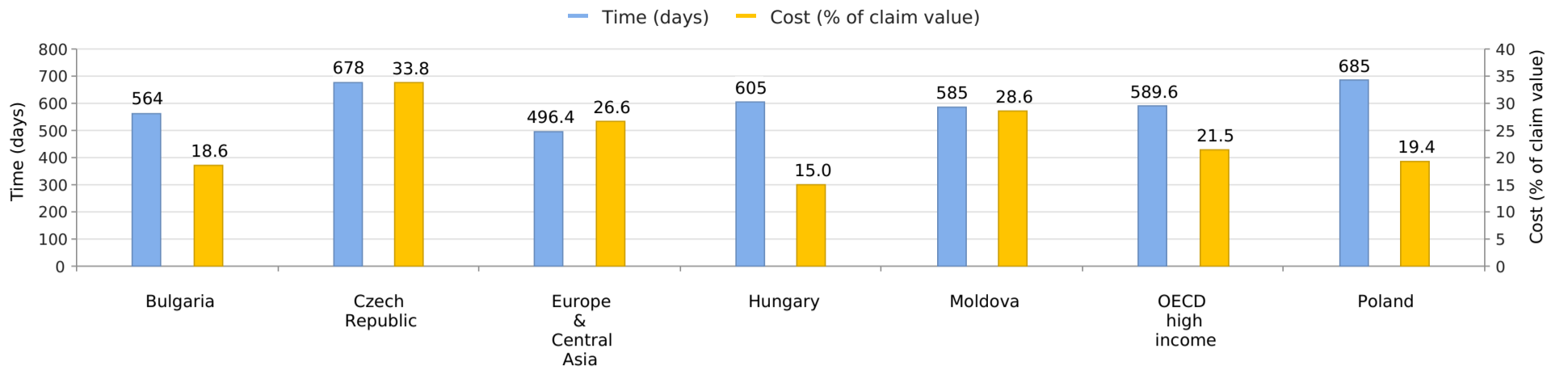
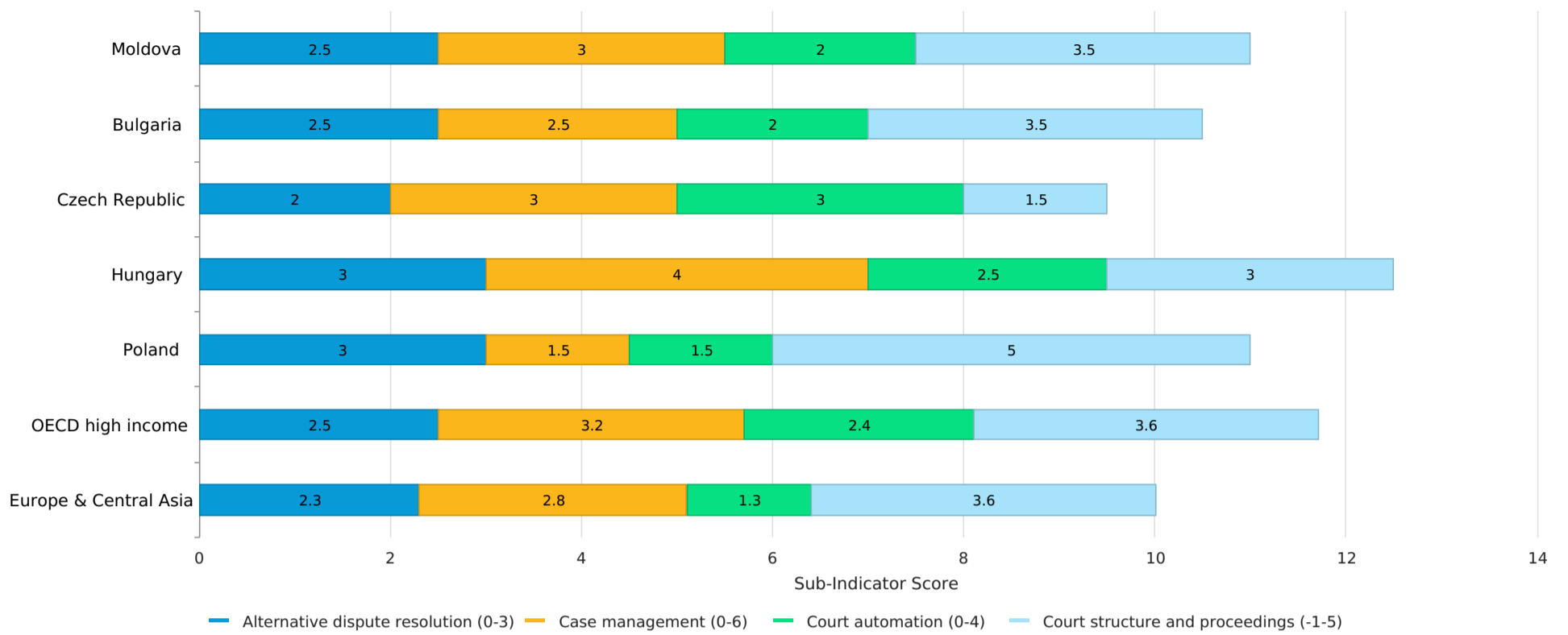


Figure - Enforcing Contracts in Moldova and comparator economies - Measure of Quality



Details - Enforcing Contracts in Moldova

	Indicator
<b>Time (days)</b>	<b>585</b>
Filing and service	60
Trial and judgment	420
Enforcement of judgment	105
<b>Cost (% of claim value)</b>	<b>28.6</b>
Attorney fees	10.6
Court fees	6
Enforcement fees	12
<b>Quality of judicial processes index (0-18)</b>	<b>11.0</b>
Court structure and proceedings (-1-5)	3.5
Case management (0-6)	3.0
Court automation (0-4)	2.0
Alternative dispute resolution (0-3)	2.5

## Details - Enforcing Contracts in Moldova - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>11.0</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.5</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>3.0</b>
1. Time standards		0.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
<b>Court automation (0-4)</b>		<b>2.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>2.5</b>
1. Arbitration		1.0
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	Yes	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	1.5
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	Yes
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes

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## Resolving Insolvency

*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

#### Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

#### Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

### Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

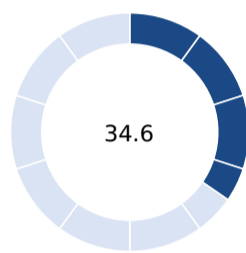
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

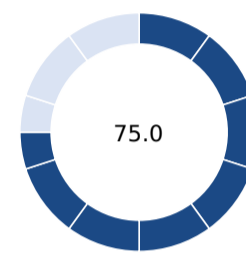
Resolving Insolvency - Moldova

Indicator	Moldova	Europe & Central Asia	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	32.1	38.5	70.2	92.9 (Norway)
Time (years)	2.8	2.3	1.7	0.4 (Ireland)
Cost (% of estate)	15.0	13.3	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	12.0	11.2	11.9	None in 2018/19

Figure - Resolving Insolvency in Moldova - Score

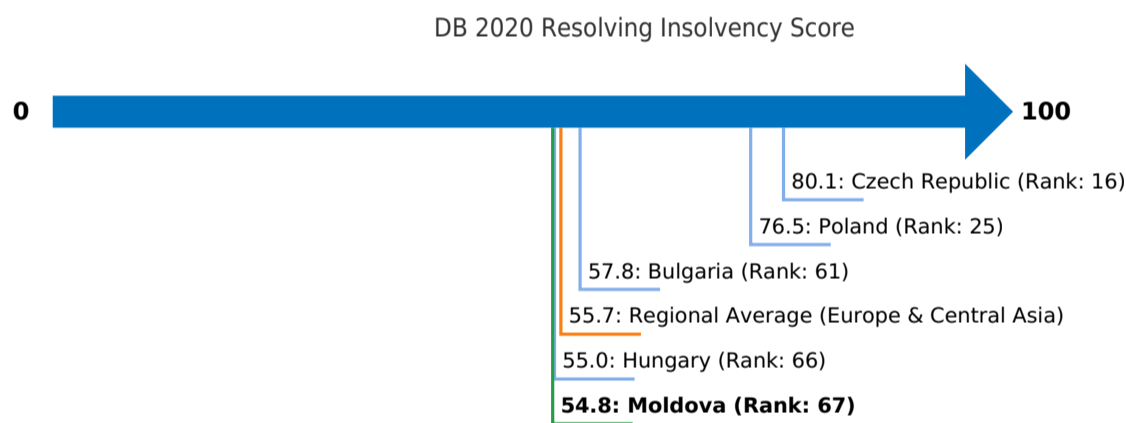


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Moldova and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Moldova - Time and Cost

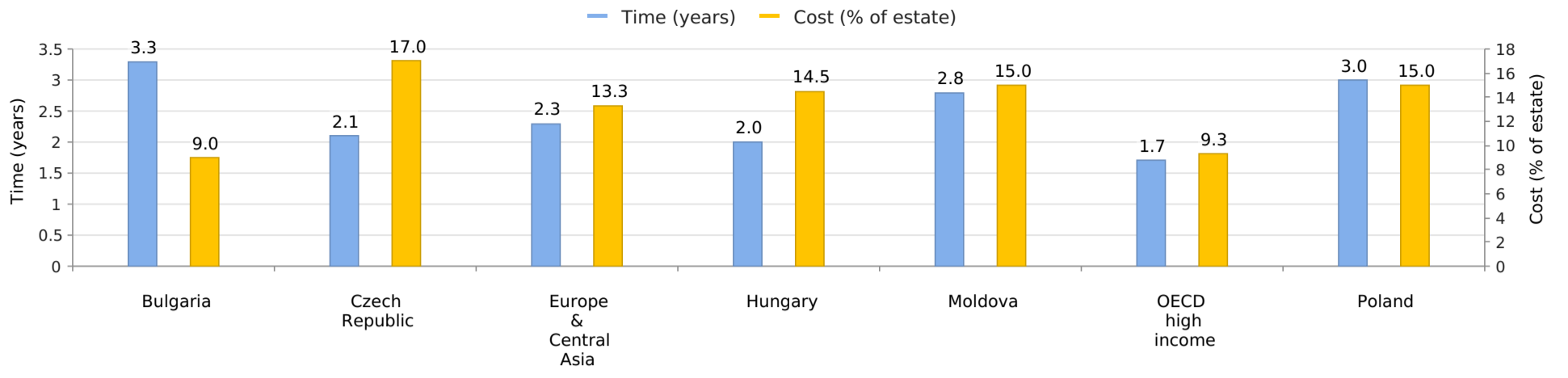
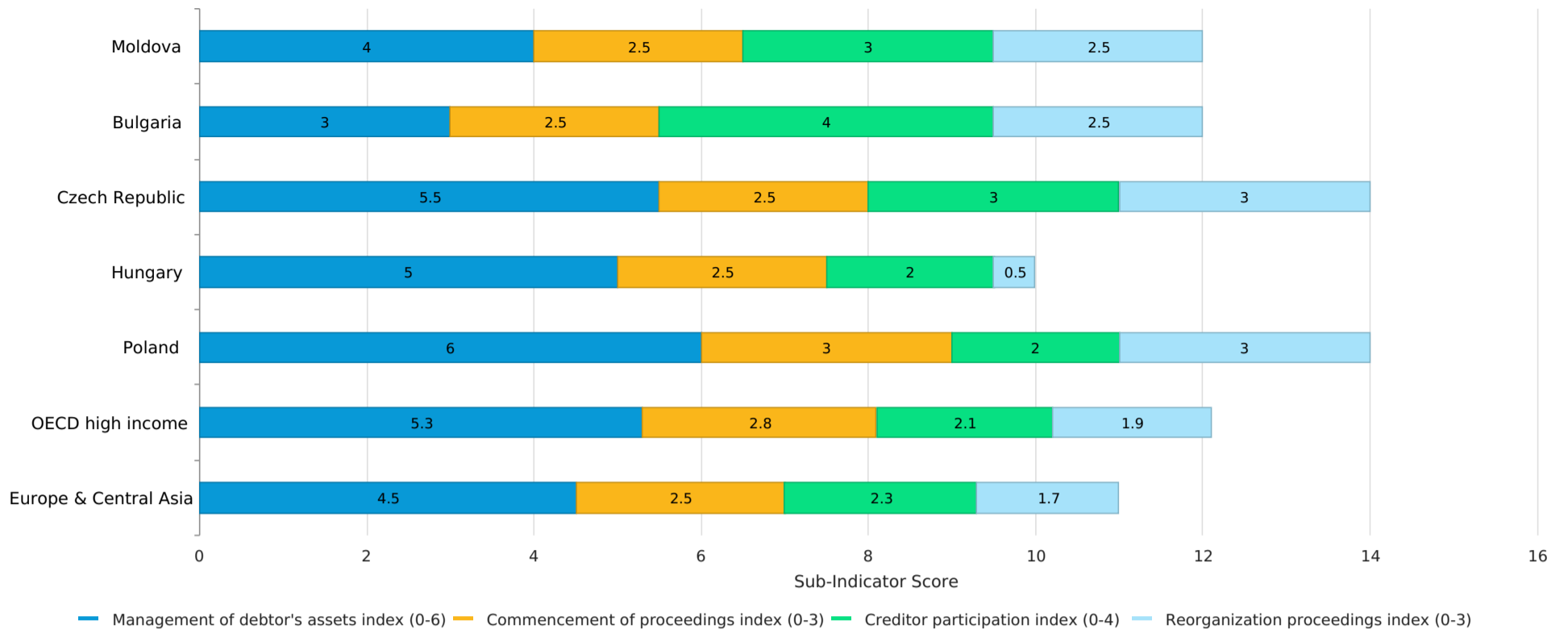


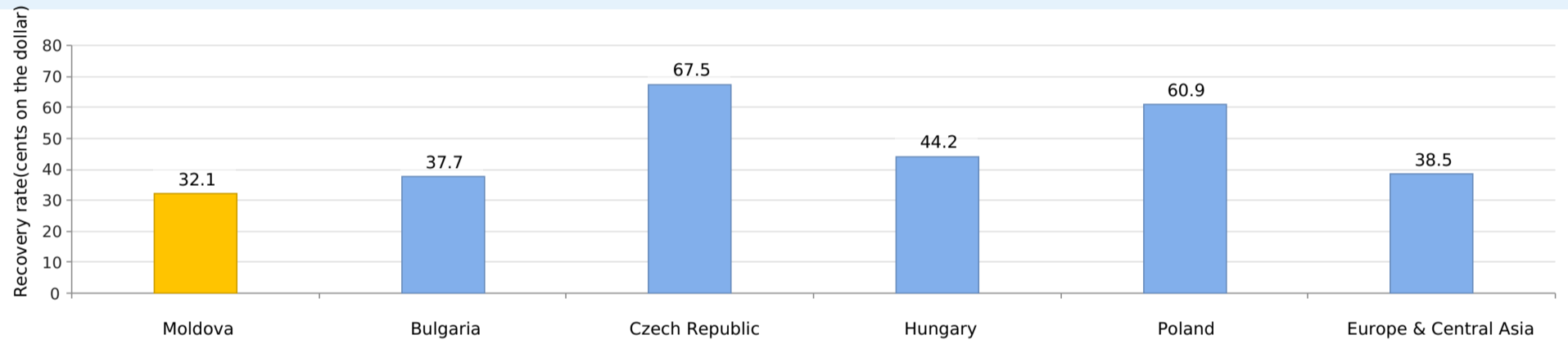


Figure - Resolving Insolvency in Moldova and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Moldova and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Moldova

Indicator	Answer	Score
Proceeding	liquidation	BizBank is interested to recover the loaned amount, while the value of collateral would be sufficient for this purpose. BizBank, therefore, will rather initiate liquidation procedure because it shall take less time than reorganization. In addition, reorganization will be difficult because neither a new renegotiation with BizBank seems possible, nor a new loan from another financial institution can be taken.
Outcome	piecemeal sale	Most likely it will be too difficult to find a buyer for the sale as a going concern. In such conditions, BizBank, as the only secured creditor, will be interested in accelerating the process to recover the amount owed by the hotel and will not likely wait for a long time until a buyer for the entire enterprise can be found.
Time (in years)	2.8	Despite strict deadlines for completing the insolvency process, which in theory should take 6-9 months, in almost all cases the process takes up to 34 months due to many procedures that have to be respected before the actual sale of the goods of the hotel takes place. Most likely the potential buyers will buy the building of the hotel and the plot of the land on which it is situated separately from other goods (for example furniture, computers, etc.). It is very hard to sell the rest of the goods. Also, due to the lack of potential buyers, the bank and the rest of the creditors will not accept for the hotel to be sold at a significantly diminished price, even though the law allows for decreasing the price of the hotel up to 0 MDL.
Cost (% of estate)	15.0	The total cost to decide the insolvency case at hand would approximately amount to 15% of the value of the hotel. Main expenses include remuneration of the insolvency representative (around 9%), attorneys' fees (3%), fees of other professionals involved in the insolvency proceedings (2%) and auctioneer's fees (1%).
Recovery rate (cents on the dollar)		32.1

## Details - Resolving Insolvency in Moldova - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>12.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>4.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
<b>Reorganization proceedings index (0-3)</b>		<b>2.5</b>
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
<b>Creditor participation index (0-4)</b>		<b>3.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Employing Workers

*Doing Business* presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Employing Workers - Moldova

## Details - Employing Workers in Moldova

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	60.0
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	147.2
Ratio of minimum wage to value added per worker	0.4
Maximum length of probationary period (months)	1.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	50.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	Yes
Restrictions on weekly holiday?	Yes
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	20.0
Paid annual leave for a worker with 5 years of tenure (working days)	20.0
Paid annual leave for a worker with 10 years of tenure (working days)	20.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	20.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	Yes
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	8.7
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	8.7
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	8.7
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	8.7
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	12.9
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	13.6

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	18.6
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	15.0
Unemployment protection after one year of employment?	Yes

## Business Reforms in Moldova

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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DB2020

- ✓ **Dealing with Construction Permits:** Moldova made dealing with construction permits easier by enabling quality control by supervising engineers and by no longer requiring clearances from health and environmental agencies for low-risk structures.
- ✓ **Paying Taxes:** Moldova made paying taxes easier by reducing the social security contribution rate paid by the employer and the capital gains basis. At the same time, the value of the environmental tax and the time for labor taxes and contributions increased.
- ✓ **Enforcing Contracts:** Moldova made enforcing contracts easier by amending the code of civil procedure to establish a simplified procedure for small claims.

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DB2019

- ✓ **Starting a Business:** Moldova made starting a business easier by removing the requirement to file separately for registration with the national statistics bureau.

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DB2018

- ✓ **Starting a Business:** Moldova made starting a business easier by removing the requirement to register with the Social Security Fund.

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DB2017

- ✗ **Starting a Business:** Moldova made starting a business more costly by increasing the cost for company registration.
- ✓ **Getting Electricity:** Moldova streamlined the process of obtaining a new electricity connection by eliminating the need for new customers with a capacity of less than 200 kilowatts to obtain an inspection from the State Energy Inspectorate.
- ✓ **Paying Taxes:** Moldova made paying taxes easier by eliminating a requirement to submit social security documents in hard copy. However, Moldova also made paying taxes more costly by raising rates for road tax, environmental levy and health insurance contributions paid by employers.
- ✓ **Enforcing Contracts:** Moldova made enforcing contracts easier by adopting a new mediation law establishing financial incentives for the parties to attempt mediation.

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DB2016

- ✓ **Starting a Business:** Moldova made starting a business easier by eliminating an inspection by the Territorial State Fiscal Inspectorate.
  - ✓ **Resolving Insolvency:** Moldova improved its insolvency system by introducing a licensing system for insolvency administrators, by increasing qualification requirements to include a professional exam as well as training and by establishing supervisory bodies to regulate the profession of insolvency administrators.
- Employing Workers:** Moldova changed regulations pertaining probationary periods

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DB2015

- ✓ **Starting a Business:** Moldova made starting a business easier by abolishing the minimum capital requirement.
- ✓ **Paying Taxes:** Moldova made paying taxes easier for companies by introducing an electronic system for filing and paying social security contributions. On the other hand, it increased the minimum salary used for calculating the environmental tax liability. Furthermore, Moldova increased the employers' health insurance contribution rate and introduced new filing requirements for VAT.

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DB2014

- ✓ **Getting Credit:** Moldova strengthened its secured transactions system by introducing new grounds for relief from an automatic stay during insolvency and restructuring proceedings.
- ✓ **Paying Taxes:** Moldova made paying taxes easier for companies by introducing an electronic filing and payment system for the value added tax, corporate income tax, land improvement tax and tax on immovable property.
- ✓ **Resolving Insolvency:** Moldova made resolving insolvency easier by introducing new restructuring mechanisms, reducing opportunities for appeals, adding moratorium provisions and establishing strict statutory periods for several stages of the insolvency proceeding.

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DB2013

- ✓ **Protecting Minority Investors:** Moldova strengthened investor protections by allowing the rescission of prejudicial related-party transactions.
- ✗ **Paying Taxes:** Moldova made paying taxes more costly for companies by reintroducing the corporate income tax—but also made tax compliance easier by encouraging electronic filing and payment.
- ✗ **Enforcing Contracts:** Moldova made the process of enforcing a contract more difficult by abolishing the specialized economic court.
- ✓ **Resolving Insolvency:** Moldova strengthened its insolvency process by extending the duration of the reorganization proceeding and refining the qualification requirements for insolvency administrators.

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DB2012

- ✓ **Starting a Business:** Moldova made starting a business easier by implementing a one-stop shop.
- ✓ **Getting Credit:** Moldova improved its credit information system by establishing its first private credit bureau.
- ✓ **Enforcing Contracts:** Moldova made enforcement of judgments more efficient by introducing private bailiffs.
- ✓ **Resolving Insolvency:** Moldova amended its insolvency law to grant priority to secured creditors.

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DB2011

- ✓ **Paying Taxes:** Moldova reduced employer contribution rates for social security.

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DB2010

- ✓ **Starting a Business:** Moldova made starting a business easier by implementing an expedited company registration service and making the authentication of specimen signatures when opening a corporate bank account optional.
- ✓ **Registering Property:** Moldova made registering property easier and less time consuming by eliminating the requirement for a cadastral sketch.
- ✓ **Paying Taxes:** Moldova made paying taxes less costly for companies by reducing employers' social security contribution rate.

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DB2009

- ✓ **Starting a Business:** Moldova cut the time needed to start a business by half by simplifying business registration requirements.
- ✓ **Getting Credit:** Moldova improved its credit information system through a new credit bureau law to facilitate the creation of a private credit bureau.

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DB2008

- ✓ **Starting a Business:** Moldova made starting a business easier by eliminating the requirement to first obtain permission from the State Inspectorate of Labor and by making it possible to submit online applications for reservation of company names and extracts from the register.
- ✓ **Paying Taxes:** Moldova made paying taxes less costly for companies by reducing the corporate income tax rate.
- ✓ **Enforcing Contracts:** Moldova improved its contract enforcement system by updating its civil procedure law to make it compliant with international standards and taking measures to reduce judicial corruption.

**Employing Workers:** : Moldova increased the severance payments applicable in redundancy dismissals.



*Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

[www.doingbusiness.org](http://www.doingbusiness.org)



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