

**To: European Parliament**

**European Commission**

***Ref: Business Community Proposal on the Reform Agenda for the Republic of Moldova  
Growth Plan***

**Dear Ladies and Gentlemen,**

The European Business Association (EBA Moldova) expresses its highest considerations for all the support and involvement of the European institutions in the implementation of the reform agenda, in light of the accession process of the Republic of Moldova (RM) to the European Union (EU), while signaling certain major impediments affecting the investment environment.

The Republic of Moldova has taken certain steps towards harmonizing the national legislation to the EU directives, however, in order to be compatible with EU requirements and practices, some crucial aspects, which are reported as serious obstacles to business development, need to be evaluated and solved.

## **PILLAR 1: PRIVATE SECTOR DEVELOPMENT**

### **1. Developing an economy based on added value:**

Taking into account the stagnant situation of the Moldovan economy, a situation conditioned by the war in Ukraine, which dramatically reduced the investment appetite for Moldova, it is imperative to reset the country's economic growth engines, with financial support from the EU, in light of the process of Moldova's accession to the EU, namely with the funds that will support the implementation of the reform agenda. Thus it is important that **the money allocated by the EU to be channeled towards the development of added value and the expansion of the tax base** so that the country's economy, the national public budget, would reduce the dependence on VAT collected on import of goods. The launch of the state aid scheme is an extremely useful and welcome tool, however it is not enough to support the export-focused processing/manufacturing companies. Thus, in the context of the financial support received from the EU for the implementation of the reform agenda, it will be imperative to support not only SMEs, but also medium and large companies, i.e. manufacturing and processing companies that generate added value.

**2. Strengthening the capacities of ANSA by supplementing the number of employees, increasing salaries and strengthening the infrastructure of laboratories in the field of food safety.**

Following the authorization by the European Commission in March 2023 of the export of processed poultry meat and Category A eggs from the Republic of Moldova, the first egg producer from Moldova received approval for export to the EU market in October 2024. This was an important milestone, marking the first export operation of consumer eggs to the European single market, following the fulfilment by the producer of strict EU standards.

In order to make full use of this opportunity and expand Moldova's export potential for food of animal origin, producers must continue to align their practices to the EU regulatory framework. This includes activities related to the poultry sector, such as incubation, poultry farming, slaughter, processing and storage.

**However, a major challenge is the insufficient number of specialists in ANSA at the national level, the limited number of national laboratories capable of meeting the veterinary and phytosanitary certification requirements for exports to the EU.** The lack of high-performance equipment and insufficient investment in laboratory infrastructure affect their operational capacity.

In order to address the above-mentioned challenges, the following actions are necessary:

- Increase the number of employees of ANSA and increase the salaries of employees. Implementation of specialized training programs, by inviting experts in the field. Certification of specialists at the national level. Ensuring a close communication between ANSA specialists and meat processing units (swine, poultry, cattle, goats, etc.)
- Expanding the network of national laboratories and modernizing the technical infrastructure to improve the certification processes of products intended for export to the EU, including by ensuring the operation of laboratories 24/7 at border crossing points.
- Strengthening institutional capacities in the Ministry of Agriculture and Food Industry and the National Agency for Food Safety to speed up the alignment of national legislation with EU standards.
- Providing pre-accession funds to support local producers and the development of municipal public markets.

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
SPS	SPS	December 2026	Ministry of Agriculture and Food Industry  ANSA	Capacity-building programmes and technical assistance for public servants from the Ministry of Agriculture and Food Industry and National Agency for Food Safety to accelerate the alignment of national legislation with EU standards.  Also, providing pre-accession funds to support local producers and the development of municipal public markets.	

### 3. Creating a stock exchange in Moldova, by ensuring a close collaboration with the Bucharest Stock Exchange and other exchanges in the region.

In order to ensure the development of the capital market in the Republic of Moldova and generate a diversity of investments, as well as to ensure a high degree of attractiveness from international and local investors - it is imperative to invest in the creation of a Stock Exchange in the Republic of Moldova, following all international and regional practices.

4. With respect to the reform *Enhanced competitiveness of MD trade in goods* we emphasize the critical need to **improve border crossing point infrastructure**. This includes ensuring the availability of essential infrastructure and equipment, such as scanners and weighing systems, at border crossings with Ukraine and Romania. Additionally, the construction of adequate parking areas, Authorized Economic Operator (AEO) lanes, and other facilities is essential to maintaining a smooth flow of truck traffic. It is also crucial to establish the necessary laboratories at border crossing points with Ukraine to facilitate efficient trade operations.

### 5. Extension of the Free Zone status of Giurgiulesti International Free Port

As a component of Pillar 1 of the Growth Plan, we consider it important to ensure the extension of the Free Zone status of Giurgiulesti International Free Port, in accordance with Customs Code 95/2021, after the expiration in 2023 of the validity of the current Law no. 08/2005. This extension will allow us to harness the opportunities of facilitating the international traffic of goods offered by European customs legislation ([https://taxation-customs.ec.europa.eu/customs-4/free-zones\\_en](https://taxation-customs.ec.europa.eu/customs-4/free-zones_en)).

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
Business environment	Enhancing the competitiveness of entrepreneurship environment through the improved regulatory and administrative framework and enhanced digitalization		Ministry of Economic Development and Digitalization  Ministry of Infrastructure and Regional Development	Ensure the extension of the Giurgiulești International Free Port's free zone status in line with the Customs Code 95/2021 after the expiration of Law 8/2005 in 2030  Baseline: The free zone regime of the International Free Port Giurgiulesti is likely to end in 2030.	Ensure the extension of the Giurgiulești International Free Port's free zone status in line with the Customs Code 95/2021 after the expiration of Law 8/2005 in 2030

## PILLAR 2: CONNECTIVITY AND DIGITAL INFRASTRUCTURE

### 1. Naval sector

We note the absence in this section of the Growth Plan of an intention to reform the naval legislation of the Republic of Moldova. The actions planned by the relevant ministry (Ministry of infrastructure and regional development) are focused on the road and rail sectors.

The legislation of the Republic of Moldova in the field of naval transport needs urgent revision. The current legal framework (Commercial Maritime Navigation Code 499/1999 and the Law on Internal naval transport of the Republic of Moldova 176/2013) provide a fragmented, incoherent, incomplete, largely outdated and unadapted legal and governance system.

We believe that the Growth Plan must include a fundamental and integrated review of the entire legislative framework in the field of naval transport and related infrastructure to support the development of this essential sector of connectivity.

	<b>Title of the reform</b>	<b>Implementation Deadline</b>	<b>Institution</b>	<b>Payment condition and implementation deadline</b>	<b>Description and clear definition of what each step entails</b>
Transport connectivity	Enhancing the transport system, network, and institutional capacities		Ministry of Infrastructure and Regional Development	Review of the legal framework of waterway transport and related infrastructure  Baseline: Fragmented and contradictory legal framework and governance system in the waterway transport sector.	Key steps to reforming the legal framework for waterway transport and related infrastructure: 1. Unification and revision of laws: Consolidating and updating the two primary laws governing waterway transport— the Maritime Navigation Code (499/1999) and the Law on Inland Waterway Transport (176/2013)—to create a coherent, modern legal framework that aligns with international standards. 2. Establishment of an adequate governance framework: Creating a clear and efficient governance structure for ports and waterway administration to ensure effective management, coordination, and development. 3. Systematization of oversight and implementation bodies: Defining and streamlining the roles, responsibilities, and competences of regulatory and oversight bodies to ensure clear accountability, better coordination, and the effective enforcement of regulations.

### PILLAR 3: ECONOMIC GOVERNANCE

The vulnerability of the RM economy, which also translated into a low rate of direct investment in recent years, imposes the need to think through a comprehensive program aimed at

ensuring economic recovery and creating a favorable and competitive investment environment, but also aimed at removing major impediments that seriously violate freedoms and guarantees in making investments. The fiscal strategy, designed in this context, should focus on introducing conceptual reforms based on improving the investment climate, simplifying the tax system, correcting inequalities and avoiding distortions of competition.

## **1. Implementation of measures to support economic development arising from the Association Agreement**

### **1.1. Harmonisation of VAT refund conditions**

The Tax Code provides for the right for VAT refund only for certain types of economic operations/activities (deliveries made at a reduced VAT rate, capital investments, VAT-exempt deliveries with the right of deduction), as well as for taxable deliveries documented through SIA "E-invoice"/SIA "MEV", being limited, however, to VAT deducted starting with 01.01.2023. The VAT refund mechanism applicable from 01.01.2023 was presented as encouraging, however, it did not lead to an increase in the amounts of VAT refunded from the budget. Limiting the right to VAT refund through the provisions of the existing Tax Code seriously violates the principle of tax neutrality provided by the harmonization framework agreed by the Republic of Moldova and blocks investment activity.

Within the EU there are no limitations in the recovery of VAT accrued from crediting the account, neither by source of creation nor by area of activity. RM it is the only country that limits the right to VAT recovery. In this regard, we draw attention to the fact that, according to Directive 2006/112/EC, the taxable subject is entitled to a VAT refund when the amount of deductions exceeds the amount of VAT due. The existing rules in the Tax Code are not in line with the principle of tax neutrality laid down in Directive 2006/112/EC, according to which the system of deductions aims to release the taxable person in full from the burden of VAT due or paid in the course of all his economic activities, irrespective of the purposes or results of those activities. Member states may refuse reimbursement or carry-over only if the amount of the surplus is insignificant.

The common system of VAT therefore guarantees neutrality with regard to the tax burden corresponding to all economic activities, regardless of their purpose or results, provided that those activities are, in principle, themselves subject to VAT. The right to deduct, and therefore to refund, is an integral part of the VAT mechanism, which, in principle, cannot be limited.

According to the latest data, the amount of the tax claim to be recovered from the budget (VAT for deduction) registered by companies from the Republic of Moldova is about 10.6 billion lei. This value represents, in essence, a form of lending to the state by these companies and which cannot be returned to the holders due to the obstruction of this right by legislation (restriction of the right to get VAT refund). Through this form of restriction, the state not only limits the access of taxpayers to operational funds, but also imposes an additional cost on them, generated by the need to access loans or other forms of borrowing for operational business needs.

### ***1.2. Implementation of the cash basis VAT for small/medium-sized businesses***

The demography of enterprises in the Republic of Moldova is characterized by a low rate of business initiation, but also by an extremely low level of survival of small enterprises. According to official statistics, less than half of start-ups manage to survive two years after their establishment. The survival rate after 1 year is about 44.2%, and the survival rate after 2 years – about 40.9%. For comparison, in the EU the survival rate in the next year after establishment is 80%, and on average, half of enterprises manage to survive after 5 years. Small firms are usually more financially fragile and lack sufficient liquidity compared to larger firms, making them extremely vulnerable and less resilient to crises<sup>1</sup>.

Directive 2006/112/EC includes an extremely important support measure for SMEs, provided that Member States may provide that VAT becomes chargeable on the date of collecting the value of goods supplied or services provided by SMEs (Cash basis VAT). The system of cash basis VAT consists in the fact that both payment and deduction of VAT is postponed until the date of collection by customers of suppliers payment. At EU level, this system is optional, but widely applied by several member states. The implementation of this system allows companies that do not exceed the pre-established annual turnover ceiling to make payment of VAT at the time of collecting the receivables. According to a study<sup>2</sup> developed at the EU level, EU Member States have opted for or increased the implementation of the cash basis VAT in recent years. Moreover, according to this Study, several member states would have introduced the cash basis VAT in response to the financial crisis, even if article 167a had not been approved by the Directive. The estimated value added at that time at EU level from the implementation of the cash basis VAT system amounted to about EUR 18 million.

The introduction of such a system in the Republic of Moldova was demanded by the business community many times, with the aim of reviving the economic growth, investments, decreasing unemployment, increasing the competitiveness of the Republic of Moldova in order to attract foreign direct investments. The establishment of such a system will stimulate small businesses by implementing a fiscal framework to support their recovery and which are experiencing financial difficulties due to a lack of liquidity.

### ***1.3. The possibility of issuing tax invoice for advances, while simultaneously exercising the right to deduct VAT related to advances***

The Tax code of the Republic of Moldova, although it establishes the obligation to calculate VAT for advances received, postpones the right to deduct VAT for advances paid at a later stage i.e. at the time of delivery of goods/ provision of services (when the buyer will have the tax invoice issued by the supplier confirming the delivery of goods/provision of services). Such an impediment creates obstacles for the operation of businesses and does not ensure the principle of tax neutrality laid down in community law. According to Directive 2006/112/EC the right to deduct arises when the deductible VAT becomes chargeable.

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<sup>1</sup>[https://sme.md/downloads/Evolutia-IMM-urilor\\_Brosura-en.pdf](https://sme.md/downloads/Evolutia-IMM-urilor_Brosura-en.pdf)

<sup>2</sup>[https://taxation-customs.ec.europa.eu/system/files/2018-01/vat\\_sme\\_scheme\\_vol\\_2\\_2017\\_en.pdf](https://taxation-customs.ec.europa.eu/system/files/2018-01/vat_sme_scheme_vol_2_2017_en.pdf)

An eloquent example of implementing the principle provided for by the Directive can also be the Romanian legislation according to which the taxable person or non-taxable legal person, obliged to pay VAT, must self-invoice the amount of advances paid no later than the 15th of the month following the one in which he paid the advances, if that person is not in possession of the invoice issued by the supplier/provider, unless the factor generating the tax occurred in the same month.

Thus, starting from the legislative framework applicable in the EU regarding VAT collection/deduction, it is proposed to implement the right to deduct the amount of VAT related to advances at the same time as the obligation to calculate the VAT related to advances. This measure will also strengthen the financial position of companies, encouraging them to invest more.

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
Public Finance management	Strengthened tax system contributes to fiscal sustainability, provides for a level playing field and provides for better services for citizens and businesses	December 2025	Ministry of Finance State Tax Service	Harmonization of the conditions related to VAT reimbursement in line with the principle of tax neutrality provided by Directive 2006/112/CE on the common system of value added tax.	The approximation of Moldovan VAT legislations with those of the EU is necessary to 1) the harmonization of the conditions related to VAT reimbursement, 2) the implementation of the VAT system on receipt for SMEs and 3) the possibility of issuing tax invoices for advances with the simultaneous exercise of the right to deduct VAT related to advances. These measures will help align national tax legislation with the principle of tax neutrality established by EU regulations. Additionally, they will create the conditions necessary to stimulate economic growth, attract investment, reduce unemployment, and enhance Moldova's competitiveness in order to attract foreign direct investment.  Source of verification: draft law approved by the Parliament.

## 2. Implementation of tax measures aimed at supporting investment activity

### 2.1. Establishment of similar conditions for taxation of investment income

The Tax code includes discriminatory approaches depending on the source of income (obtained from abroad versus from Moldova), as well as the status of the income payer. The imposition of discriminatory income tax rules, based on its source of origin and the status of the income

payer, is an abusive measure, which contradicts the principle of equality/non-discrimination and the principle of fair and equitable settlement of the tax burden (details in the table below).

<b>Income type</b>	<b>Source of income / category of beneficiary of income/effective tax rate</b>			
	<b>Republic of Moldova</b>		<b>Abroad</b>	
	<i>Resident individuals</i>	<i>Resident legal entities</i>	<i>Resident individuals</i>	<i>Resident legal entities</i>
Interest on bank deposits / debt securities and bonds, except for those included in pct.2)	6%	12%	12%	12%
Interest on securities and bonds issued by LPA	exempt	12%	exempt*	12%
Interest on loans other than those mentioned above	12%	12%	12%	12%
Dividends	6% (excluding those related to 2008-2011 undistributed profit for which the rate is 15%)	exempt (except for those related to the 2008-2011 non-distributed profit for which the rate is 15%)	12%	12%
Taxable income from capital gains other than that included in item.6)	6%	12%	6%	12%
Income from capital gains related to securities / bonds issued by LPA	exempt	12%	exempt*	12%

\* Although the language of art.20 let.z20) of the Tax Code seems to apply a similar treatment to the same type of income obtained from abroad, at the moment no official positions have been taken by authorities on this subject.

The way in which the current tax approach is built discourages investment in instruments other than those issued by the state/LPA, as well as diminishes the attractiveness of investment potential abroad. In this context, it is worth emphasizing that the investment/financial income obtained from abroad is repatriated and taxed in the Republic of Moldova. Consequently, they represent a considerable economic benefit for the Republic of Moldova, supporting the national economy and contributing to the accumulation of funds to the national public budget. The right of taxpayers to benefit from the same income tax rates is to be applied equally, regardless of its source of origin.



## 2.2. Restoring the concept of "capital gains" for legal entities

Tax legislation includes conditions that are unfair in relation to the tax burden applicable to capital gains, depending on the income holder. Current provisions of the Tax code do not encourage the investment activity of companies, such a facility being offered only to individuals. In this context, it is worth emphasizing that the notion of "capital gains" was introduced starting with the entry into force of Title II of the Tax Code, from January 1, 1998, being equally applicable to resident legal and natural persons. However, starting with January 1, 2020, the capital gains is applicable only to resident and non-resident individuals of the Republic of Moldova. Respectively, resident legal entities were excluded from the list of subjects of capital gains or loss, the general income tax regime being applicable to them. Contrary to the purpose announced by the legislator at the time of promoting the above-mentioned amendment, applicable from 2020, such a measure did not find its expected reflection, given that, through the effects of this measure, the tax administration was not simplified and the degree of compliance was not increased by generating additional budget revenues. However, it is obvious that by excluding such a facility, which is extremely important for companies, the tax burden on investment income increased twice which does not motivate the increase in investment activity. Rather, companies have had to adopt strategic planning measures and revise their investment strategies.

Investment and innovation are particularly important to stimulate long-term economic growth. Excessive taxation of capital gains reduces investment, distorts resource allocation and reduces companies' efforts to fully capitalize on investment potential. Thus, the introduction of the same tax rules for legal entities (currently applicable only to natural persons), in relation to investment income (capital gains) would represent a firm step towards stimulating investment activity, eliminating the existing discrepancies in the legislation, but would also contribute to the economic recovery plans announced by the government.

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
Public Finance management	Strengthened tax system contributes to fiscal sustainability, provides for a level playing field and provides for better services for citizens and businesses	December 2025	Ministry of Finance  State Tax Service	Amendment of the tax legislation by establishing similar conditions for income taxation (regardless of the source). Also, amendments are needed to introduce the same taxation rules for legal entities (currently applicable only to natural persons), in relation to investment income (capital increase).	The amendment of the Tax Code will ensure the pursuit of the justified economic purpose and the legitimate expectation of all taxpayers to carry out the investment/financial activity under equal conditions and the protection of fair competition. It would also represent a firm step towards stimulating investment activity, eliminating the discrepancies currently existing in the legislation, and would contribute to the economic recovery plans of the Government of the Republic of Moldova. Source of verification: draft law approved by the Parliament.

### 3. Ensuring compliance with fair competition rules in relation to the activity of state-owned enterprises

We believe that the management of state-owned enterprises in accordance with the general rules of competition is an essential element that must be included in the country's Growth Plan.

In this context, we consider it necessary that the Growth Plan provides for measures to ensure the application of the principle of transparency in the cost and price structures of state-owned enterprises. This will prevent indirect subsidisation of their activities by the state and ensure a level playing field in the market. Moreover, it is important that state-owned enterprises enjoy equal treatment with public authorities in relation to the services provided, in order to avoid any favours or discrimination that could affect the market and economic development of the country. Such an approach will support the sustainable growth of the economy, promoting a fair and investment-friendly business environment.

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
Public Finance management	Ensuring compliance with competition rules in the SOE sector		Competition Council		<ol style="list-style-type: none"> <li>1. Establish transparent cost and pricing structures: Introduce clear regulations that mandate SOEs to publicly disclose their cost structures and pricing mechanisms.</li> <li>2. Strengthen oversight: Implement an oversight mechanism to ensure that SOE pricing and cost structures align with competitive market standards and that they do not unduly rely on state funding.</li> <li>3. Promote equal treatment with private-sector entities: Ensure that SOEs are treated equally in terms of services provided by public authorities to prevent any undue advantages for SOEs over private companies and encourage fair competition.</li> <li>4. Enforce anti-subsidization rules: Implement regulations to eliminate any latent or indirect state subsidies to SOEs, ensuring that these enterprises are self-sustaining and compete on equal terms with private enterprises.</li> </ol>

## PILLAR 5: GREEN TRANSITION / NATURAL CAPITAL

On the reform *Environment protection and climate Action* (action no. 1/4) clarification is needed as to whether this commitment would include the creation of a carbon market? We would suggest including a target for creating a carbon market, which is a system in which carbon credits or permits are bought and sold for the purpose of reducing greenhouse gas (GHG) emissions. Carbon markets would increase the number of environmental projects in Moldova and attract foreign capital to Moldovan entities (environmental project operators) from foreign buyers of carbon credits.

## PILLAR 6: SECURITY AND ENERGY EFFICIENCY

### **Measures related to the stimulation of renewable energy technologies / decarbonization of the energy sector**

The Republic of Moldova urgently needs an energy field that ensures security of supply of energy resources and supports its Sustainable Development Goals. In this regard, there is a need to provide tax breaks aimed at supporting investments in renewable energy production capacities, developing innovative technologies that ensure a low-carbon economy and adaptation to the challenges of climate change. Thus, given the vulnerabilities in the energy sector, but also the commitments taken by the Republic of Moldova in the context of the candidate country status, we propose the following measures to stimulate renewable energy technologies / decarbonization of the energy sector:

- Exemption / reduction of VAT and elimination of customs duty for equipment for the production and storage of electricity (photovoltaic panels, inverters, storage batteries, wind turbines). This measure will accelerate the development of renewables for their own consumption, with no support mechanism currently applicable, as well as help reduce costs for energy producers.
- Accelerated deduction for investments in green infrastructure. Accelerated depreciation of investments can be a fundamental measure to support the transition of companies to a circular economy, or, according to some research, the value of investments made by enterprises increases with the increase of the depreciation rate. Thus, it is proposed that investments in green technologies could benefit from an accelerated depreciation and that would allow investors to deduct up to 100% of their investment in renewable energy projects in the first year of commissioning.
- Exemption / reduction of immovable property tax for buildings that have renewable energy sources. The aim of this measure is to encourage citizens and businesses to invest in renewable energy sources. Thus, LPA may decide to grant the exemption or reduction of the tax for new or rehabilitated buildings, for which the owners have executed, at their own expense, works to increase energy performance, for the installation of systems for the production of electricity from photovoltaic sources or for certified environmental systems for the collection and treatment of wastewater resulting from their own consumption. Immovable property tax relief/reduction is a common measure abroad.

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
Energy	Open and competitive gas market	June 2027	Ministry of Energy  ANRE	Gas market opened to all customers  Baseline: existing legal framework	All consumers could procure gas at the open gas market as of 1 January 2027. This requires changes in the PSO scope which could be achieved by the amendment of the Gas law 2016/108. This action will ensure that the market is open for all suppliers and customers whilst protecting only except households and essential social services, in line with art 3 of the Gas Directive.  Source of verification: the amendment is adopted by the Parliament
Energy	Thriving market for renewable energy	December 2025	Ministry of Energy  Ministry of Finance	Measures to support citizens and the business environment in the form of fiscal facilities, aimed at supporting investments in renewable energy production capacities, developing innovative technologies to ensure an economy with low carbon emissions and an adaptation to the challenges generated by climate change.  Baseline: no such incentives in place.	The measures—such as the VAT exemption/deferral for photovoltaic panels and inverters (along with the elimination of customs duty on imported inverters), the allowance to deduct up to 100% of renewable energy project investments in the first year of operation, and the exemption or reduction of real estate tax for buildings with renewable energy production—are designed to accelerate the development of the energy sector. They aim to boost the renewable energy industry while encouraging both citizens and businesses to invest in renewable energy sources.  Source of verification: the amendments to the law are adopted by the Parliament.

At the same time, in relation to the reform *Open and Competitive Electricity Market* (action no. 1/2) we propose to change the tender launch deadline for July 2025, and the award/verification for October 2025. We stress that, given the importance that the new balancing capacity to be already operational for the winter period 2025-2026, it is necessary to reduce the deadlines proposed, which is possible by at least two months by shortening the duration of some tasks and carrying them out, where possible, in parallel.

When it comes to the reform on *Ensuring Security of Supply* (action no. 3/11), we express concern about the conditionality: ANRE takes a decision on the re-examined opinion of the ministry and considers reopening the certification of Vestmoldtransgaz regarding the ownership of the transport system. It is legally incorrect to state that ANRE can transfer ownership of certain assets from one entity to another. ANRE, by its own competence and under the law, is a Regulatory Authority. It can neither transfer nor register ownership. This statement is wrong and we suggest either reformulating or deleting it for the following reasons:

1. Moldovatrangaz, not Moldovagaz, owns the gas transmission networks. Moldovagaz is a supplier and does not exercise any direct ownership over transmission or distribution networks.

Assuming that the phrase refers to transport networks:

2. Currently, the Moldovatrangaz network is operated only by Vestmoldtransgaz under a lease agreement. The right of ownership of the network is exercised by Moldovatrangaz.

3. The ownership of the network can be transferred on the basis of a sale and purchase agreement (or other contractual model, depending on the case) concluded between Moldovatrangaz and Vestmoldtransgaz, and the regulatory authority cannot transfer the ownership on its own.

In terms of the reform on *Ensuring Security of Supply* (action no. 3/13), we express our concern about the establishment of a public utility of national interest, approved by government. We consider this decision to be inconsistent because, on the one hand, it seeks to create a competitive, open, fair and non-discriminatory energy market, and on the other hand, it allows unequal competition with state-owned companies receiving subsidies from the international community. This creates distortions in the market, putting the private sector at a disadvantage, which must recoup its investments to remain operational, while competing with subsidized or donated assets.

In terms of the reform on *Ensuring Security of Supply* (action no. 4/13) in the column *Payment condition and implementation deadline*, for the stated purpose of the objective of guaranteeing security of supply in the phrase: Moldova starts the construction of 400 kV Line Balti-Suceava to increase cross-border capacities to Romania to exclude the phrase Moldova starts ensuring the construction of that line eliminates the risk of not achieving the proposed objective by merely initiating a process that can take years.

In terms of the reform *Thriving Market for Renewable Energy* (action no. 5/20) in the last column with the description of the steps, it is to bring certain clarifications regarding: launching auctions of new renewable and energy storage in 2025, specifying the allocated capacities for each technology, with a view to fast-track renewables energy deployment, what if this action involves two different auctions? In this case, if we want renewables with storage then it needs to be reformulated: renewables with collocated BESS.

In terms of the steps listed in this action 5/20, based on the consecutive approach, we propose to include the first action: successful completion of the 1st renewable auction with PPA signing, later reflecting on outcomes., and only after revising the new auction design.

In terms of the reform *Thriving Market for Renewable Energy* (action no. 5/21), in the last column with the description of the stages: In order to incentivize the roll out of renewable energy at consumers level required is a financial support for purchases of battery storage systems, we consider it necessary to reformulate it based on the fact that we have been insisting for years for a VAT exemption or a discount at least on batteries, inverters, etc., but on the other hand it is proposed to provide financial support. The consumer scheme is to be reviewed to ensure a level playing field for all. Some also benefited from the support scheme and state aid in the form of non-reimbursable funds and VAT exemptions, but others do not benefit from anything.

In terms of the reform *Thriving Market for Renewable Energy* (action no. 5/24), in the last column with the description of the stages: Moldova's implementation of streamlined permit-granting procedures will fast-track the deployment of renewable energy projects, addressing regulatory delays and providing legal clarity for investors, this measure is not considered a necessary one, everything is already too much simplified, some of which have a negative impact.

## PILLAR 6: SECURITY AND ENERGY EFFICIENCY

We believe that the Growth Plan should include an assessment and review of the legal framework and activities of some categories of licensed professionals with significant impact on the justice system: bailiffs, authorized administrators and judicial experts.

These professionals exercise powers of public interest and prerogatives which, if misused, can generate serious consequences:

- **Judicial experts** - issue expert reports with evidentiary value in civil, contravention and criminal proceedings (hereinafter, "judicial proceedings").
- **Authorized administrators** - supervises the management actions of legal entities and manage estates in inheritance, insolvency and judicial liquidation procedures.
- **Bailiffs** - are vested with state power of enforcement of enforceable documents.

The reform of the judiciary cannot be considered complete, where it is limited only to the judicial system and the prosecutor's office. To be effective, the reform must also include these professionals, whose job is to carry out and implement judicial decisions. Their work is often not sufficiently or adequately regulated and may create possibilities for different interpretations or even abuses.

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
Judiciary and prosecutorial system reform	Revision of legal framework and public oversight of supporting judicial professions		Ministry of Justice	<b>Baseline:</b> The current system for supporting judicial professions suffers from <b>deficient</b> regulatory frameworks, poor oversight, and, as a result, spreading abuse of power by representatives of judicial professionals.	<p>1. <b>Establish clear competency boundaries:</b></p> <ul style="list-style-type: none"> <li>Introduce legislative measures to define and limit the powers of judicial professionals (bailiffs, authorized administrators, judicial experts), explicitly prohibiting abuse of authority and ensuring that their actions remain within the scope of their legal mandates.</li> <li>Specifically, revise the Enforcement Code to establish clear regulations regarding forced administration, including limits on asset management and clear protections against abuse.</li> </ul> <p>2. <b>Strengthen oversight mechanisms:</b></p> <ul style="list-style-type: none"> <li>Reform the oversight function of the Ministry of Justice to ensure more independent and effective monitoring of judicial professionals. Set up bodies for review of complaints and disciplinary action that are not subservient to the judicial professionals they are supposed to review.</li> <li>Introduce transparency and accountability measures, such as regular audits and public reports on the activities of judicial professionals.</li> </ul>

	Title of the reform	Implementation Deadline	Institution	Payment condition and implementation deadline	Description and clear definition of what each step entails
					<p><b>3. Establish efficient legal safeguards for affected individuals and businesses:</b></p> <ul style="list-style-type: none"> <li>• Create a more accessible and effective process for challenging the actions of judicial professionals, particularly regarding bailiffs and administrators. This may include revising the appeals process to ensure that affected parties have a meaningful opportunity to contest enforcement actions in court.</li> <li>• Facilitate the suspension of actions during judicial review, allowing individuals or entities under enforcement measures to protect their rights.</li> </ul> <p><b>4. Reform of expert reports in judicial proceedings:</b></p> <ul style="list-style-type: none"> <li>• Review and amend the use of judicial expert reports to ensure experts focus strictly on technical or specialized matters, rather than interpreting legal questions or substituting for judicial authority.</li> <li>• Introduce guidelines and oversight for judicial expertise, requiring courts to consider alternative evidence and protect the rights of individuals facing such reports.</li> </ul>

*With high regard,*

**MARIANA RUFA**  
Executive Director