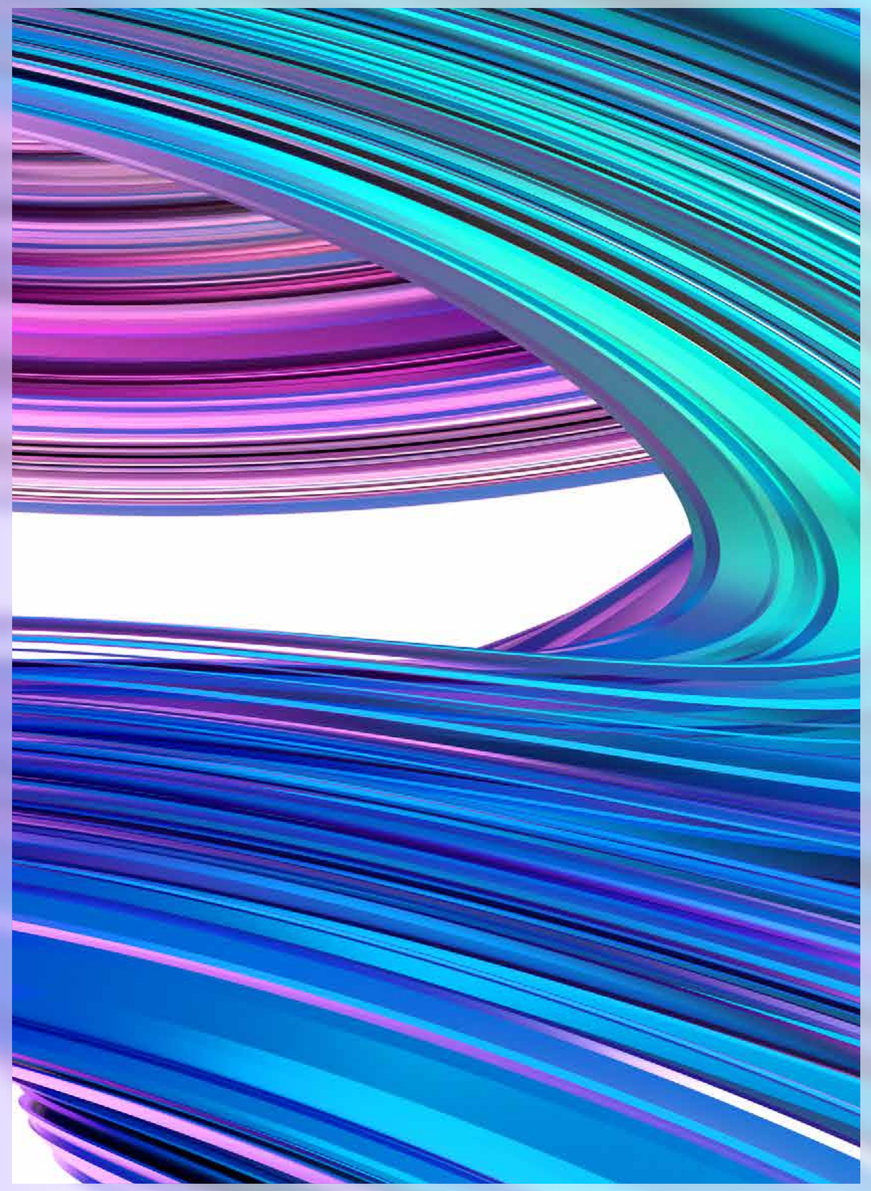
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Corporate income tax rate

12%

Taxpayers

- Legal entities, which are residents of the Republic of Moldova, that carry out entrepreneurial activity, persons who carry out professional services, as well as persons who practice professional activity in the justice and health sector, that, during the fiscal period, obtain income from any sources in the Republic of Moldova, as well as from any sources outside the Republic of Moldova.
- Individuals, who are residents of the Republic of Moldova, that during the fiscal period carry out independent activities and obtain income from any sources derived in Moldova and from any sources outside Moldova for their activity in the Republic of Moldova.

Fiscal year

- The fiscal year is the calendar year, which begins on 1 January and ends on 31 December.
- For those taxpayers that have the right, in accordance with the provisions of the Accounting Law, to apply a different management period from the calendar year, the fiscal period for income tax corresponds to the management period for the preparation and presentation of the financial statements.
- In this case, the fiscal period can be a period of any 12 consecutive months.

Corporate income tax rate

12%

Compliance requirements / payment

- The tax return is to be submitted on a yearly basis, by the 25th of the third month of the fiscal period.
- Legal entities are required to pay on a quarterly basis (no later than 25 March, 25 June, 25 September and 25 December) equal amounts of ¼ of:

  a. the amount of estimated tax for the relevant year, or

  b. the tax due for the previous year.
- Entities that, as at the last day of the fiscal period, have no more than 249 employees and generate an annual turnover of no more than MDL 100 million, or have no more than 249 employees and hold total assets of no more than MDL 100 million, must pay income tax no later than the 25th of the month following the month when dividends were distributed, including in the form of shares and share parts, from the profit obtained during the 2023-2026 fiscal periods.

Fiscal losses

- Starting from 1 January 2017, fiscal losses can be carried forward over 5 fiscal periods.
- The amount carried forward for one of the fiscal periods following the one when losses were registered is equal to the total amount of losses, reduced by the total amount allowed for deduction in each of the following four fiscal periods.

Corporate income tax rate

12%

- If the taxpayer incurred losses for more than one fiscal period, the tax losses should be carried forward following the order of their appearance.

Deductible expenses

As a general rule, expenses are recognised for tax purposes if:

- They are deemed as ordinary and necessary expenses paid or incurred by the taxpayer during the fiscal period, exclusively within its business activity;
- They are recorded based on supporting documentation;
- They are incurred for the purpose of obtaining income; and
- They are not related to any tax exempt income obtained.

Certain types of expenses are partially deductible or fully non-deductible for corporate income tax purposes.

Expenses with limited deductibility (examples)

Ordinary and necessary expenses incurred by the taxpayer during the fiscal period without supporting documentation	0.2% of taxable income
Donation expenses for philanthropic or sponsorship purposes	5% of taxable income
Membership fees incurred for the activity of employers' associations	0.15% of the labor remuneration fund or an amount not exceeding 2 average national monthly salaries, as forecast and approved by the Government for the year when the expenses were incurred

Provisions

Non-bank credit organizations	Provisions destined to cover any losses related to non-repayment of non-bank loans and non-payment of related interest and to cover receivables related to non-recovery of interest rates and financial leasing interest within the thresholds of provisions calculated according to the regulations of the National Bank of Moldova for those who keep accounting records in accordance with National Accounting Standards, are considered deductible expenses for corporate income tax purposes.

Provisions

Non-bank credit organizations & Banks	Impairment losses on assets and contingent liabilities, calculated in accordance with IFRS are considered deductible expenses for corporate income tax purposes.
Audit entities and individuals who perform audit services	Expenses incurred for provisions related to audit risk and for insurance premiums according to insurance contracts for professional civil liability for insuring audit risk are considered deductible up to a maximum of 15% of sales revenue obtained during the fiscal period related to the audit of annual financial statements and / or consolidated annual financial statements.

Depreciation and amortization

Calculation methods	• The depreciation of fixed assets is calculated starting from the month following the month when the fixed asset is put into operation by using the **linear** depreciation method. • All legal entities, except for entities carrying out financial, insurance/reinsurance activities, as set out in Section K of the Classifier of Activities of the Republic of Moldova, may apply the **accelerated** depreciation method for the first year of operation of the fixed asset.

Depreciation and amortization

Calculation methods	• The amount of depreciation of the fixed asset to be deducted is determined as follows: **a.** for the first year of use, depreciation cannot exceed 50% of the input cost of the fixed asset; **b.** for the following years of use, depreciation is calculated by relating the undepreciated value of the fixed asset to its remaining useful life.
Fixed asset's value	The fixed asset's value from which the depreciation is calculated should exceed MDL 12,000 (EUR 600).

Interest expenses

Deduction of interest on loans and borrowing	Expenses related to interest incurred under a loan agreement by debtor economic agents to be used by individuals and legal entities (except for financial sector entities) are deductible within the limit of weighted average interest rates for new credits granted by the banking system to legal entities for less or more than 12 months in Moldovan national currency or foreign currency. The weighted average interest rate is established by the National Bank of Moldova.

Capital gains

Tax rate	12% of the amount of capital gains
Taxpayers	Resident and non-resident Moldovan individuals that do not carry out entrepreneurial activity and that sell, exchange or alienate in another form capital assets.
Capital assets	Capital assets represent: • Participation titles (shares, bonds, other titles on property in entrepreneurial activity); • private property not used in entrepreneurial activity; • land; • the option when buying or selling capital assets.
The calculation method of capital gain or loss	• The amount of capital gain or loss from the sale, exchange or other form of alienation of capital assets is equal to the difference between the amount received (revenue earned) and their basic value. • Capital gain or loss is not recognized for tax purposes in the case of donation contracts concluded between first degree relatives, as well as between spouses and as well as in the case of disposal of a vehicle that has been in the taxpayer's possession for at least 3 years before the date of disposal, except for collection vehicles of historical or ethnographic interest.

Capital gains

The calculation method of capital gain or loss

- Capital gain or loss resulting from sale, exchange or other form of alienation of the main residence is not recognized for tax purposes.
- Capital gains or losses resulting from sale, exchange or other form of alienation of common property in devolution are determined as the difference between the amount received and the value base of these assets by one of the owners (co-owners) based on the joint written agreement.
- The amount of capital gain during the fiscal period is equal to 50% of the excess amount of capital gain over any capital losses incurred during the fiscal period.
- Capital gain or loss in the case of transactions involving participation titles (shares) acquired at a preferential price or free of charge under a stock option plan is determined as the difference between the selling price (amount received/income obtained) of the participation titles (shares) and their value basis.

The basic value

- The basic value should be justified by supporting documents and represents mostly the value of capital assets purchased.
- The basic value of the participation titles (shares) traded under a stock option plan represents the preferential purchase price established on the date when the right is granted.
- Without confirmation documents and in the case of participation titles (shares) acquired free of charge (under a stock option plan) the basic value is nil.

Personal income tax

Income category	Tax rate	Comments
Dividends paid to resident individuals	6% / 15%[1]	Taxable income = gross income
Dividends paid to resident legal entities	0%	
Sale of capital assets (real estate, land, shares, bonds, etc.)	12%	Taxable income = capital gain = 50% of the excess amount of capital gain over any capital losses incurred during the fiscal period.
Capital gains or interest income from state securities and/or bonds issued by local public authorities obtained by individuals	0%	
Gambling[2]	18%	Taxable income = gains from gambling
Salary	12%	Taxable income = gross income, except: • Health insurance contributions; • Personal allowance granted for the current month or other types of allowances (if received).

[1] 15% of dividends, including in the form of shares or share-parts, paid to resident individuals and legal entities, related to undistributed profit earned during FY 2008-2011 inclusive;

[2] Except for gains from lottery and/or sports bets, from which the value of each gain is less than 1% from the personal allowance.

Income category	Tax rate	Comments
Phantom Shares granted to employees	6%	Taxable income = gross income
Benefits granted by the employer	12%	Meal tickets, the value of which exceeds MDL 70; personal costs covered by the employer; cancellation of employee's debts; etc.
Rental income (lease)	7%	If both landlord and tenant are individuals
	12%	Landlord (individual), tenant (legal entity)
	12%	Landlord (legal entity), tenant (individual/legal entity)
Independent activities carried out within the retail sector (except of excisable goods)	1% (but not less than MDL 3000)	Taxable income = income from independent activities
Royalties	12%	Taxable income = gross income
Interest earned from bank deposits held by resident individuals	6%	Taxable income = gross income
Income derived from the sale of primary agricultural products to an economic agent	12%	Taxable income = amount of income that exceeds the threshold of MDL 1,2 bn (EUR 60,550). From sales of such products during a calendar year, without taking into account withholding tax.
Income earned from the sale of electricity by resident individuals who produce renewable energy and apply the net invoicing mechanism	0%	

Social security and health insurance contributions

Salary income

Social security contributions (SSC)	Health insurance contributions (HIC)
Employer[1] - 24%[2]	Employee – 9%

Other categories of payers

Payer category*	SSC
Independent medical professionals	24%[3]
Day-laborers	6%
Employers from the agricultural sector[4]	24%[5] (18%+6%)

[1] Employers, legal entities or individuals, from the private sector, higher educational institutions and medical institutions.

[2] The rate established from the monthly salary and other remunerations.

[3] Taxable base – the income of a family doctor who is the owner of the family doctor's practice, established in accordance with legislation.

[4] Employers from the agricultural sector (individuals and legal entities) that during the reporting period carry out not less than 95% of the activities stipulated by groups no. 01.1-01.6 of the Classification of Economic Activities in the Republic of Moldova.

[5] 6% of contributions due by the employer are compensated from the state budget, thus the employers concerned pay only 18% of contributions due by the employer.

* Annex 1 to Law no. 489/1999 on the public social security public also stipulates other categories of payers, beside the above-mentioned categories.

Other types of taxable income

Income source	HIC	SSC
Meal tickets (≤ MDL 70)	-	24%
Meal tickets (≥ MDL 70)	9%	24%
Benefits granted by the employer, fees, commissions, bonuses and other similar remunerations	9%	24%
Material aid granted by the employer	9%	24%
Copyright	-	-
Rental income	-	-
Income from property management (dividends, percentages, equity shares)	-	-
Travel expenses for business purposes	-	-
Gambling	-	-
Gains from lottery winnings	-	-
Patent holders' income	-	-
Participation titles (shares) obtained by employees under a Stock Option Plan	-	-
Phantom Shares	-	-

Stock option plans

Stock Option Plans are a long-term stimulation program initiated within a legal entity or within its interdependent legal entities, and approved by the general meeting of associates/shareholders, under which the entity's employees and/or administrators (provided they are residents) are granted the right to purchase at a preferential price or to receive free of charge a certain amount of securities, issued by the legal entity, but no more than 25% of the legal entity's statutory capital, in relation to all participants in the program.

For a program to qualify as a stock option plan, it must cover a minimum period of 3 years between the time when the right is granted and the time of its execution (purchase/receipt of the participation titles (shares).

Beneficiaries

The employees and/or administrators of the legal entity that has established the program, as well as the employees and/or administrators of its interdependent legal entities, provided that they are residents.

Tax provisions

- The rights obtained by beneficiaries under the program in the form of participation titles (shares), from the time they are granted, are non-taxable income from an income tax perspective.
- Expenses incurred by a legal entity for the redemption or cancellation of an option under a stock option plan are non-deductible.

Phantom shares

Phantom Shares can be established by a limited liability company, based on a unanimous decision by the associates, and are intended to motivate and encourage employees to work efficiently, be actively involved in the development of the company, and to be creative in promoting initiatives for the company's benefit.

Phantom shares are established from the company's net profit and may be used to grant payment rights at a specified point in time or at a future time in connection with a designated future event.

Beneficiaries

Employees who cumulatively meet the following conditions:

- They have resident status;
- They have been employed by the company for at least 12 full months as at the date of payment.
- The amount paid to each employee may not exceed 100% of his/her annual salary in the year from which the incentive capital is formed;
- The amount of the incentive capital may not exceed 25% of the company's net profit.

Tax provisions

- The payment of phantom shares is assimilated to dividends, but such payments can only be made once a year.
- 6% - witholding tax.

Tax regime for individuals carrying out independent economic activity

Taxable subjects

Resident individuals who carry out independent economic activities in the field of service provision (such as software development, design, IT consultancy, architecture, photographic activities, etc.), without having an organizational or legal form.

Taxable base

Income earned during the fiscal year from independent economic activities in the field of service provision.

Tax rate

- Income earned during the fiscal year from independent economic activities in the field of service provision is subject to a tax rate of 15%, provided that the independent entrepreneur's annual income (turnover) does not exceed MDL 1,200,000 (EUR 60,550).
- If the annual income exceeds the threshold of MDL 1,200,000 (EUR 60,550), a tax rate of 35% will apply to the part exceeding the limit.

Reporting and payment

The tax is calculated quarterly by the State Tax Service through the issuance of a payment notice, and the payment must be made by the 25th of the month following its issuance.

Single tax

The tax includes the following taxes, contributions, and levies:

- Income tax on independent entrepreneurs carrying out activities in the field of service provision;
- Mandatory social security contributions (pension);
- Mandatory health insurance contributions;
- Local taxes.

Tax regime for residents of free economic zones

Residents of free economic zones benefit from the following tax incentives:

Corporate income tax

- Exemption of 50% of the tax rate established in the Republic of Moldova on income derived from the export of goods (services) originating in a free economic zone outside the borders of the Republic of Moldova.
- Exemption of 75% of the tax rate established in the Republic of Moldova on income derived from activities other than the export of goods (services).
- Full exemption from corporate income tax for a three-year period on income derived from the export of goods (services) originating from a free economic zone outside the borders of the Republic of Moldova, as a result of investments of at least USD 1 million in the free economic zone.
- Full exemption from corporate income tax for a five-year period, on income derived from the export of goods (services) originating from a free economic zone outside the borders of the Republic of Moldova, as a result of investments of at least USD 5 million in the free economic zone.

Corporate income tax incentives will be granted until 1 July 2034, but may not exceed the operation period of the free economic zone. They are granted to individuals carrying out entrepreneurial activities or legal entities registered as residents of the free economic zone by 31 December 2023, subject to the size of investments made by 1 July 2024.

VAT

- VAT with credit exemption for goods (services) delivered within free economic zones.
- VAT with credit exemption for goods (services) delivered in free economic zones from outside the Republic of Moldova, goods (services) delivered from free economic zones to outside the Republic of Moldova, goods (services) mutually delivered by residents of different free economic zones in the Republic of Moldova.

Excise duties

Exemption from excise duties is applicable for goods subject to excise duties introduced into free economic zones from outside of the customs territory of the Republic of Moldova, from the rest of the customs territory of the Republic of Moldova, as well as for goods originating from this zone exported outside the customs territory of the Republic of Moldova.



IT park residents tax regime

Taxable subjects	IT park residents are required to pay to the state budget, on a monthly basis, a single tax of 7% calculated from the taxable base, but not less than the established minimum amount.
Taxable base	The taxable base of the single tax for IT park residents is the revenue from sales, registered monthly in the accounting records.
Single tax	The minimum amount of the single tax is established on a monthly basis for each employee and represents 30% of the average monthly salary, forecast for the year to which the fiscal period relates. The single tax is calculated and declared by IT park residents on a monthly basis by the 25th of the following month. The single tax includes the following taxes, fees and contributions: • Corporate income tax. • Personal income tax. • Social security contributions due by employers and employees. • Health insurance contributions due by employers and employees. • Local taxes. • Property taxes. • Fee for the use of roads by vehicles registered in the Republic of Moldova.

Small and medium business sector tax regime

Taxable subjects	Companies not registered for VAT purposes, except for farm households (farmers), individual entrepreneurs, as well as companies which registered for the last year a share of income higher than 60% of sales revenue from business and management consultancy services (p. 70.22 of the Classification of Economic Activities in the Republic of Moldova).
Taxable base	Revenue determined in accordance with the financial accounting, earned within the fiscal reporting period.
Corporate Income tax rate	The income tax rate represents 4% from the taxable base. The tax is calculated on a yearly basis. The payment should be made in quarterly installments, by the 25th of the following month.
Exception	Small and medium sized enterprises will be subject to taxation according to the general tax regime if, during the fiscal period, any of the associates/shareholders holds more than 25% of the value/number of participation titles or voting rights of more than 3 small or medium sized enterprises.

Tax on income earned in the republic of moldova by non-residents

Withholding tax is generally applied on income earned in the Republic of Moldova by nonresidents, such as:

- Dividends;
- Interest;
- Royalties;
- Income from debt rights assignment;
- Income from sale of goods;
- Income from supplies of services, including management, financial, consultancy, audit, marketing, legal, intermediary, or informational services, rendered to a resident or nonresident that has a permanent establishment in the Republic of Moldova, if such income represents expenses incurred by the permanent establishment;
- Income from capital gains;
- Penalties for not performing or inadequate execution of obligations by any person;
- Income from leasing transactions, from rent or sublease, from lease or beneficial ownership of property located in the Republic of Moldova;
- Income from leasing transactions, from rent or sublease, from lease or beneficial ownership of ships, aircraft and/or rail or road transport, as well as containers;
- Income from premiums based on insurance or reinsurance contracts;
- Income from international transport by sea, air, rail or road, except when the transport is carried out only between points located outside the Republic of Moldova;
- Income derived from activity performed according to employment agreements or other civil contracts;
- Income from benefits granted by the employer (beneficiary) to nonresident individuals;
- Payments made by resident voluntary pension funds;
- Income earned by artists, such as theater, circus, film, radio, television artists, musicians and athletes;
- Income derived from rendering professional services and other than above-mentioned services;
- Income from awards in competitions;
- Commissions;
- Gains from gambling and promotional campaigns;
- Income derived from payments on liquidation of a resident.

Tax rates

12% standard tax rate;

6% for dividends;

15% for dividends, in the form of shares or share-parts, related to undistributed profit earned during FYs 2008-2011 inclusive.

15% from the amount drawn out from share capital due to share capital increase through net profit redistribution and/or other sources found in share capital between shareholders (associates) during FY2010-2011, according to the participation quota of the share capital.

These tax rates are not applicable to:

- income of a non-resident related to the activity of its permanent establishment in the Republic of Moldova;
- income earned as salary.

Conventions for the avoidance of double taxation

Based on the conventions for the avoidance of double taxation concluded between Moldova and other countries, non-residents' income can be subject to a reduced rate or can be exempt from taxation in Moldova, under certain conditions, if a tax residence certificate is made available.

The provisions of international treaties prevail over Moldovan tax legislation, and if the international treaties and the Moldovan tax legislation provide different rates of taxation, the more favorable tax rates should be applied.

The following countries have concluded double taxation conventions with Moldova:

Albania
Armenia
Austria
Azerbaijan
Belarus
Belgium
Bosnia and Herzegovina
Bulgaria
Canada
China
Croatia
Cyprus
Czech Republic
Estonia
Finland
France
Georgia
Germany
Greece
Hungary
Ireland
Israel
Italy
Japan
Kazakhstan
Kuwait
Kyrgyzstan
Latvia
Lithuania
Luxembourg
Macedonia
Malta
Montenegro
Oman
Poland
Portugal
Romania
Russia
Serbia
Slovakia
Slovenia
Spain
Switzerland
Tajikistan
The Netherlands
Turkey
Turkmenistan
Ukraine
United Arab Emirates
United Kingdom
Uzbekistan

VALUE ADDED TAX

VAT rates

- **20%** - standard rate
- **8%** - rate for the HORECA sector (i.e. accommodation services, regardless of comfort category, for food and/or beverages (excluding alcoholic products) prepared or unprepared for human consumption accompanied with related services allowing their immediate consumption.
- **8%** - the reduced rate for certain goods/products, such as supplies and/or (as appropriate) import of: bread and bakery products, milk and dairy products, medicines, natural and liquefied gas, as well as transportation and distribution services of natural gas, zootechnics, pyrotechnics and horticulture products, sugar from sugar beet, solid biofuel destined for electricity production, heat and hot water, etc.

VAT deduction right

Taxpayers registered for VAT purposes are entitled to deduct input VAT related to the acquisitions/import of goods/services exclusively used for their economic activity giving rise to a VAT deduction right.

Limitation of the VAT deduction right

- The VAT deduction right related to the acquisition of goods/services used for performing taxable supplies, as well as for VAT exempt without credit supplies, is calculated on a monthly basis by applying the pro rata. However, the VAT deduction is fully allowed if the amount of monthly pro-rata is less than the coefficient of **0.05**.
- The VAT deduction right related to the acquisition of goods/services used for maintenance, operation and repair of vehicles used by persons specified in the minor groups 112 and 121 of the Classifier of Occupations in the Republic of Moldova (i.e. directors, administrative managers) is limited to one car for each person specified in these groups.

VALUE ADDED TAX

Non-deductible VAT

- VAT related to acquisition of goods, or services used for other purposes than entrepreneurial activity.
- VAT related to acquisition of goods that have been stolen or constituted natural waste or goods which have passed their expiry date and which are in addition to the monthly thresholds established by the enterprise's manager.
- VAT related to the acquisition of goods or services used for entertainment activities.

Partially deductible VAT

- VAT amounts related to goods/services purchased for employees by the taxable person, within the limits established by the Government, for the following purposes:
- Transport, food and professional studies of the employee, including expenses related to the organization and implementation of technical professional development programs through dual education;
- Gifts in kind, including vouchers provided to employees.
- Employee continuous training, as well as for activities related to strengthening corporate culture and team spirit;
- Subscriptions for sports facilities to practice sport and physical education for fitness, prophylactic or therapeutic purposes;
- Medical services.

VALUE ADDED TAX

VAT exemptions

- **VAT with credit exemption:**
  - Export of goods and services.
  - Electricity, thermal energy and hot water for residential real estate.
  - Services for the international transport of goods and/or passengers.
- **VAT without credit exemption:**
  - Housing and land (supply, lease/rent, the right of delivery and rent).
  - Financial and banking services.
  - Local passenger transportation services.
  - Vehicles.

The place of VAT taxation

- **Supplies of goods:** the place where the goods are located when the supply is performed.
- **Supplies of services:** the place where the customer has established its business (with certain exceptions).

VALUE ADDED TAX

VAT chargeability

- **Transactions other than imports of services:** date of delivery of goods, supplies of services (with certain exceptions).
- **Import of services:** the date of submission of the VAT return for the fiscal period when the import of services or the payment was performed, based on whichever occurs earlier.
- **Import of goods:** the date of declaration of the goods in customs or, in certain cases provided by the customs legislation, the date of the payment term extension.

Small and medium enterprises

Annual turnover:

- < MDL 1,500,000 – optional registration for VAT purposes;
- > MDL 1,500,000 - mandatory registration for VAT purposes.

Nonresidents (providers of electronic services to resident individuals)

- Services rendered through electronic networks by non-residents performing entrepreneurial activity without holding an organizational-legal form in the Republic of Moldova to resident individuals: the payment date, including advance payment.
- Registration for VAT purposes is mandatory during the first fiscal period when the obligation of VAT calculation and payment occurs up to the date the VAT return is due, regardless of the nonresident's turnover.
- **VAT compliance and payment** - quarterly, by the 25th of the following month.

VALUE ADDED TAX

Invoicing rules

- A fiscal invoice must be issued for each taxable supply performed in Moldova.
- In the case of public acquisitions – the issuance of an electronic fiscal invoice is mandatory.
- Taxpayers included in the list of companies required to use electronic fiscal invoices, approved by the State Tax Service, are required to issue only electronic fiscal invoices.

VAT compliance and payment

Monthly, by the 25th of the following month.

VAT deregistration

The State Tax Service is entitled to independently cancel VAT registration in the following situations:

- Failure to submit the VAT return for each fiscal period.
- Declaring incorrect information in relation to headquarters and places of business.
- If a taxpayer in the process of liquidation did not submit a VAT de registration request due to the liquidation process before a tax audit starts.

VALUE ADDED TAX

Taxable base adjustment

The taxable base of a VAT taxable supply must be adjusted after the delivery was performed or the payment was made, in the following specific cases:

- If the value of taxable supply, approved in advance, has changed as result of price changes.
- If the taxable supply has been totally or partially returned to the taxpayer which carried out the supply.
- If the taxable base of the VAT taxable supply has been reduced as a result of a discount granted.

VAT adjustment in case of bad debts

The taxpayer will proceed with the adjustment of output VAT, if after the VAT was declared, the total amount or a part of the performed delivery is considered as a bad debt.

Transfer of assets in the case of a taxpayer's reorganization

The transfer of assets within a reorganization process of a taxpayer are outside the scope of VAT. Hence, in the case of reorganization, the taxpayer's successor takes over the VAT to be paid / for refund or the right to ask for refund, so that the purchasing taxpayer replaces the purchased entity with respect to these rights/responsibilities.

VALUE ADDED TAX

The postponement of VAT payment on imports of goods

As a general rule, VAT on imports is paid to the customs authorities and is deducted via the VAT return. However, the taxpayer can obtain an extension of the VAT payment deadline in customs, in the following specific cases:

- If the taxpayer is an Authorized Economic Agent, they are entitled to pay import duties after the submission (validation) of the customs declaration. The maximum extension of the payment deadline is 30 calendar days.
- If the taxpayer is a producing entity that imports raw materials, materials which are accessories, primary packaging and accessories for the production of goods destined only for exports. The maximum extension of the payment deadline is 180 calendar days.

In both cases, the submission of the customs declaration must be preceded by a guarantee that would cover in full the value of import duties.

Reverse charge mechanism

In the case of supply of property owned by entities declared to be in an insolvency process (except for those involved in a restructuring procedure and plan realization) that takes place on the territory of the Republic of Moldova to legal entities and individuals that carry out entrepreneurial activity, including persons who carry out professional activity, the beneficiary will be the entity/individual required to pay the VAT in Moldova, and the reverse charge mechanism is applied.

VALUE ADDED TAX

Reverse charge mechanism for supplies of electricity and natural gas

Starting from 1 January 2026, the reverse charge mechanism will be applied to supplies of electricity and natural gas made between subjects registered for VAT purposes, when the buyer has the status of a trader.

The transactions which are subject to reverse charge mechanism are:

- Delivery of electricity to a trader which has its headquarters, domicile or usual residence in the Republic of Moldova;
- Delivery of natural gas to a trader which has its headquarters, domicile or usual residence in the Republic of Moldova.

EXCISE DUTIES

Excisable goods

- caviar and caviar substitutes.
- ethyl alcohol and alcoholic beverages.
- processed tobacco.
- petrol and its derivatives.
- light and medium (distilled) oils.
- perfumes and eau de toilette.
- fur clothing (made of mink, arctic fox, fox, sable).
- means of transport (cars and vehicles).

EXCISE DUTIES

Excise rate

The excise duty rate can be expressed as a specific amount per unit or ad valorem as a percentage of the goods' value.

Taxable subjects

- Authorized warehouse keepers[1] that produce and/or process excisable goods in the Republic of Moldova;
- Legal entities and individuals that import excisable goods.

Excise duties chargeability

Excisable goods are subject to excise duties when they are:

- Dispatched (transported) from the fiscal warehouse.
- Imported into the Republic of Moldova.

[1] An authorized warehouse keeper is an individual or legal entity, authorized by the State Tax Service, within its activity, to produce, transform, hold and dispatch (transport) excisable goods in a tax warehouse.

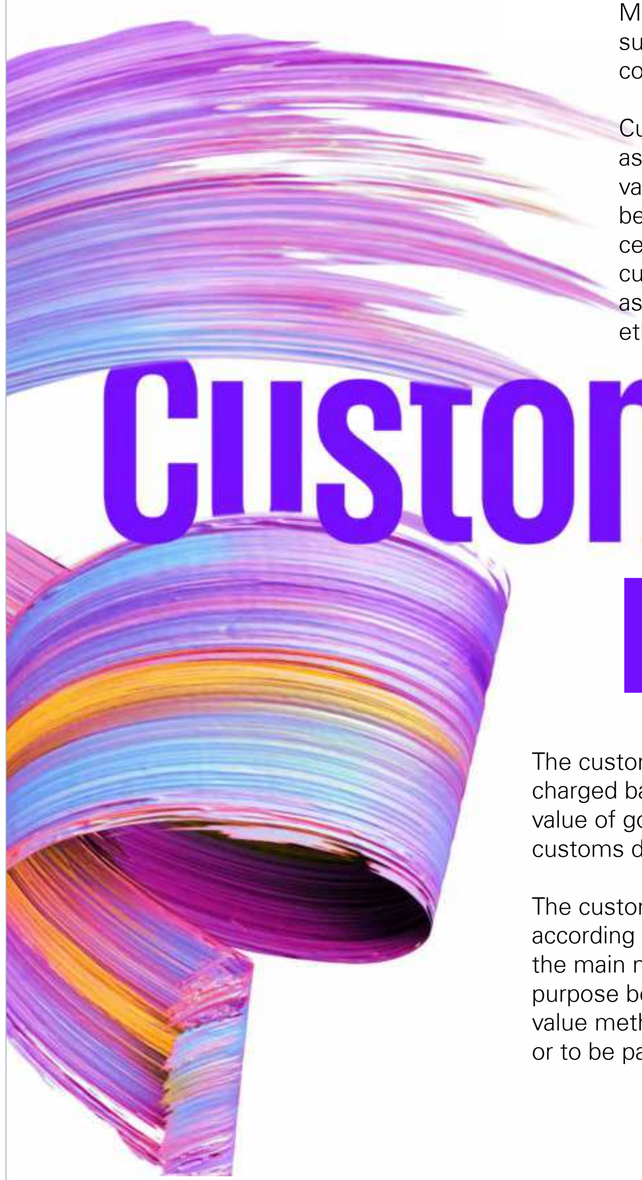
EXCISE DUTIES

Taxable subjects

- Import of goods for personal use or consumption by individuals, whose value or quantity does not exceed the threshold of: EUR 430 – in the case of air and sea transportation; EUR 300 – in the case of land transportation;
- Goods introduced via international post by individuals within commercial transactions (B2C –business to consumer), whose intrinsic value or quantity does not exceed the threshold of EUR 150.
- Import of excisable goods qualified as humanitarian aid, as established by the Government
- Export of excisable goods independently or based on a commission agreement.
- Placement, delivery from the customs territory to duty-free shops and supply of excisable goods performed by duty-free shops, as well as excisable goods introduced to the customs territory and placed in transit customs regimes.
  Placement of excisable goods in a free economic zone.
- Placement of excisable goods in a temporary admission customs regime, etc.
- Excisable goods:

  a. Destined for technical assistance projects, carried out on the territory of the Republic of Moldova by international organizations and donor countries within the limits of the treaties to which Moldova is part of.

  b. Financed from grants granted to the Government, destined for the realization of the projects concerned, as well as from grants granted to institutions financed by the state budget.



Customs Duties

Goods and means of transport that cross the Republic of Moldova customs border are subject to customs clearance and control.

Customs duties are established as a percentage of the customs value (ad valorem), ranging between 0% and 22%, except for certain goods for which a specific customs duty is applicable, such as: meat, butter, sugar, beer, ethyl alcohol and cigarettes.

The customs duty is calculated and charged based on the customs value of goods up to or when the customs declaration is submitted.

The customs value is established according to Moldovan legislation, the main method used for this purpose being “the transaction value method” (i.e. the price paid or to be paid for the valued goods).

The following customs regimes are established in Moldova:

1. **Definitive:** import, export.
2. **Suspensive:** transit, customs warehouse, inward processing (with suspension), transformation under customs control, temporary admission and outward processing.

Customs regimes with economic impact: customs warehouse, transformation under customs control, temporary admission and outward processing.

Currently, the following legislative acts are in force:

- The Customs Code of the Republic of Moldova,
- The Integrated Tariff of the Republic of Moldova (TARIM); and
- Other normative acts and international agreements to which Moldova is a party.

PROPERTY AND LOCAL TAXES

The most common property and local taxes due to the local authorities are real estate tax, wealth tax, the area development fee, the advertising placement fee, the fee for commercial entities and/or entities providing services, etc.

Local taxes are calculated and paid on a semiannual basis, by the 25th of the following month.
The rates for local taxes are established by the local public authorities based on the characteristics of taxable objects.

Real estate tax

The real estate tax is due on a yearly basis.

Real estate tax rates

For residential purposes (apartments and individual houses, land associated with these properties); for garages and the land on which they are located, and plots of horticultural cooperatives with or without constructions built on them:

- Minimum rate: 0.05% of the taxable base of the real estate assets.

For agricultural land with constructions built on it:

- Minimum rate: 0.1% of the taxable base of the real estate assets.

The exact rate is set annually by the representative and deliberative authority of the local public administration.

For real estate or land used for other purposes than residential or agricultural (including garages and land on which they are located, and plots of horticultural cooperatives with or without constructions built on them), the rate is 0.3% of the taxable base of the real estate assets.

Wealth tax

Wealth tax

Wealth tax is due on an annual basis by individual owners of residential real estate, including holiday houses (except land), on the territory of the Republic of Moldova, all of which cumulatively meet the following conditions:

a. the total estimated value is that of at least 200 average monthly salaries, approved by the Government for the period for which the tax is calculated;

b. the total area is 120 m² and more.

Wealth tax rates

0.8% of the taxable base, which should be paid by 25 December of the reporting year. The calculation of wealth tax and presentation of payment notices is carried out by the State Tax Service by 10 December, for the situation as at 1 November of the reporting year.

The area development fee

Taxable subjects

Legal entities or individuals registered as entrepreneurs and persons that carry out professional activity in the justice system, who have a taxable base.

Taxable object

Average semiannual number of employees, and additionally:

- In the case of individual entrepreneurs and farm households (farmers) - the founder of the individual enterprise, or the founder and members of farm households (farmer);
- In the case of persons that carry out professional activity in the justice system – the number of persons authorized by law to carry out professional activity in the justice system.

The area development fee rates

Are established on a yearly basis by local administrative authorities.

Commercial and/or services rendering units fee

Taxable subjects	Individuals who carry out entrepreneurial activity and legal entities that have taxable objects.
Taxable object	Units that, according to the Classification of Economic Activities in the Republic of Moldova, correspond to the activities listed in Annex no. 1 to Law no. 231/2010 on internal trade.
Tax rates	Are established on a yearly basis by the local public authorities.



Transfer pricing

Taxable subjects

A taxpayer which, during a tax period, carries out transactions with affiliated parties with a total value, calculated by adding up the value of all transactions carried out with affiliated parties, VAT excluded, equal to or greater than MDL 20,000,000 (EUR 1,010,000), is required to prepare and present transfer pricing information. However, such taxpayers are only required to present their transfer pricing file to the Tax Authorities if requested to do so.

General rules

When determining taxable income, the taxpayer must respect the arm's length principle in transactions with related parties.

Methods of verification

In cases when the arm's length principle has not been applied within a transaction and/or a group of transactions with related parties, the Tax Authorities may adjust the amount of income earned or expenses incurred by any of the related parties based on the price determined according to the arm's length principle.

In cases when the arm's length principle has not been applied within transactions, the taxpayer can make voluntary adjustments to income and/or expenses.

Transfer Prices methods

- Comparable price method;
- Cost plus method;
- Resale price method;
- Transactional net margin method;
- Profit split method;
- Any other method recognized in the OECD Transfer Pricing Guidelines.

Reporting deadline

Information on transfer pricing must be presented no later than the 25th of the sixth month following the reporting tax period (i.e. 25 June);

A transfer pricing file needs only to be submitted if requested by the State Tax Service, within 120 calendar days of the request, but not earlier than the deadline for submitting the transfer pricing information.

Non-compliance fines

- Late presentation of the information and/or transfer pricing file will be penalized with a fine of MDL 30,000 (EUR 1,500) to MDL 50,000 (EUR 2,500);
- Presentation of inaccurate information resulting in a reduction in, or avoidance of tax obligations will be penalized with a fine of MDL 60,000 (EUR 3,000) to MDL 90,000 (EUR 4,500);
- Presentation of inaccurate transfer pricing file, resulting in a reduction in, or avoidance of tax obligations will be penalized with a fine of MDL 150,000 (EUR 7,500) to MDL 200,000 (EUR 10,000);
- Failure to present the information will be penalized with a fine of MDL 100,000 (EUR 5,050) to MDL 150,000 (EUR 7,500);
- Failure to present the transfer pricing file will be penalized with a fine of MDL 300,000 (EUR 15,100) to MDL 500,000 (EUR 25,200).

Penalties for the presentation of inaccurate information and/or an inaccurate transfer pricing file, resulting in a reduction in, or avoidance of tax obligations, will be applied during tax audits initiated by the Tax Authorities related to fiscal periods starting from 2028.

Fiscal Administration

Electronic tax returns

All taxpayers have to submit tax returns electronically, except for individuals who do not carry out entrepreneurial activity and do not have the obligation to use the automated reporting system.

Solving requests

The legal term for settling the requests' submitted by tax payers is generally 30 days.

Advance Individualised Tax Solution

An advance Individualised Tax Solution is issued at the request of individuals and legal entities that carry out entrepreneurial activity, as established by the Government.

The advance Individualized Tax Solution is issued against payment, as follows:

- For taxpayers managed by the General administration of large taxpayers – MDL 60,000;
- For other categories of taxpayers - MDL 30,000;

The issuance deadline of the advance Individualized Tax Solution is up to 90 days from the date of receipt of the request by individuals and legal entities that carry out entrepreneurial activity.

Statute of limitations

- The statute of limitations period for assessing tax obligations is 4 years, starting from the date of the last deadline for submitting the relevant tax return or from the date a breach of tax legislation occurred.
- This period may be extended up to 6 years from the last date set for the submission of the tax return, in cases where the taxpayer has failed to submit the tax return or where the taxpayer requests a refund of amounts overpaid or of amounts that, under tax legislation, are subject to refund.
- For settlement of tax obligations by payment or for refunds of overpayments of tax, the statute of limitations period is generally 6 years.

Late-payment interest

For 2026, the late payment interest rate for overdue payment of fiscal obligations is **11% per year/ 0,0301% per day** (determined as the basic rate established by the National Bank of Moldova in November of the year preceding the fiscal year for short-term monetary policy operations, rounded up to the next whole number and increased by 5 points).

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This card was prepared based on tax legislation applicable as at 13 January 2026, as a quick-reference tool for the most common tax rates and rules. The official exchange rate established by the National Bank of Moldova for EUR on 13.01.2026 is equal to Moldovan lei (MDL) 19.8196.

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