



PRESS RELEASE

New study “Improving the Business Climate – Boosting Investment: Proposals from European business in Moldova”

Berlin/Chisinau, 07.11.2019.

The German Economic Team (GET) Moldova and the European Business Association Moldova (EBA) recommend 21 reforms to improve the business climate and increase investment with their new study [„Improving the Business Climate – Boosting Investment: Proposals from European business in Moldova”](#).

GET Moldova and the EBA will present their study at a joint event on 7th November to the Moldovan government and other relevant stakeholders, among them high-ranking representatives of the Government of Moldova, the diplomatic corps, international organisations, economic experts and European businesses executives.

Each proposal clearly identifies a concrete problem experienced by companies and addresses a solution at the responsible government institution. Proposals were made by the member companies of the EBA and were then analysed by GET experts to ensure their suitability, effectiveness and consistency with broad reform objectives such as competitive and free markets.

The focus is on concrete solutions, not on comprehensive reforms. Therefore, all proposals in the study are easily and quickly implementable. We single out four “quick wins” that promise especially easy implementation and quick benefits to Moldova:

- **Simplifying invoicing requirements for companies:** The system of pre-printed, numbered “fiscal facturas” just creates bureaucracy without helping tax enforcement. The requirement to use the facturas templates should be dropped in favour of normal invoices containing all data necessary for tax enforcement.
- **Abolishing the “act of completed works” in tax procedures:** Tax authorities still require this signed and stamped Soviet-era document. It is unnecessary and irritates Western business partners, who do not understand and sometimes refuse to sign it. Invoice and proof of payment are enough to document any business transaction.
- **Accepting EU certifications for imported goods and equipment:** Goods and equipment imported from the EU still need to undergo Moldovan certification processes before they can be sold or used commercially in Moldova. As EU technical standards are known to be high, Moldova should simply accept EU certifications.
- **Including small-scale business services in the tax scheme for independent activities:** It is very difficult to legally purchase small handicraft services for companies as no suitable tax and legal regime exists for small entrepreneurs. The well-designed tax scheme for “independent activities”, intended as a replacement for the “patents” system should be extended to craftsmen as well.

We also identify two “high-impact reforms” requiring some more work, but promising especially large benefits to business and investment climate:

- **Establishing a public register of companies under insolvency regime:** This register would allow companies to ensure that a possible client company is not already insolvent, thereby alleviating a very real current risk to business transactions.

- **Improving the management of agricultural land:** Moldova's excellent soils should be the basis of a thriving agricultural sector and food industry. This is prevented by problems in the lease market, non-used and abandoned agricultural land. We recommend several reform steps ranging from creating longer-term standard lease contracts to an upgrade of public land management institutions to solve this.

„Our study addresses weaknesses in the Moldovan business climate with very concrete, easy-to-implement proposals for reform. Implementing these proposals will help Moldova to attract more investment and grow faster“, comments David Saha, Consultant of the German Economic Team Moldova and main author of the study.

„We contribute to the government's 4-D strategy with this study. All 21 proposals directly address the objectives Deconspiration, DE monopolisation, De-statism and Development“, adds Woldemar Walter, Project Manager of the German Economic Team Moldova.

Link to the study: <http://bit.ly/2Cds1xN>

German Economic Team (GET) Moldova

<https://www.get-moldova.de>

Since 2010, the German Economic Team (GET) Moldova maintains a dialogue on economic policy with decision-makers of the Moldovan government. GET Moldova is part of the regional project "High-level government consultation on behalf of the Ministry for Economic Affairs and Energy", which includes Belarus, Georgia Ukraine and Uzbekistan. All these projects are implemented by Berlin Economics.

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