

# Customs Clearance Process in Moldova

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## INTRODUCTION

The purpose of this report is to provide a general overview of the customs procedures, aspects of foreign trade certification, governing laws and acts that businesses involved in foreign trade with Moldovan partners have to consider. It does not represent a comprehensive guide to Moldovan Customs or foreign trade transactions. Import and export of goods are subject to a variety of requirements depending on the goods being transacted and type of customs regime. Certain approvals and requirements have to be met before the actual transaction takes place. Where possible, the report sheds light on such situations. However, businesses are strongly advised to check first with Moldovan Customs, customs brokers and other relevant Moldovan authorities as to the exact procedure for a specific import/export transaction. Furthermore, businesses should be aware that the Moldovan Government has specific customs requirements regarding foreign trade deals made with companies located in the breakaway region of Transnistria. U.S. businesses may address their questions to the U.S. Embassy in Chisinau for more details.

## I. GENERAL MARKET OVERVIEW

### *Trade statistics*

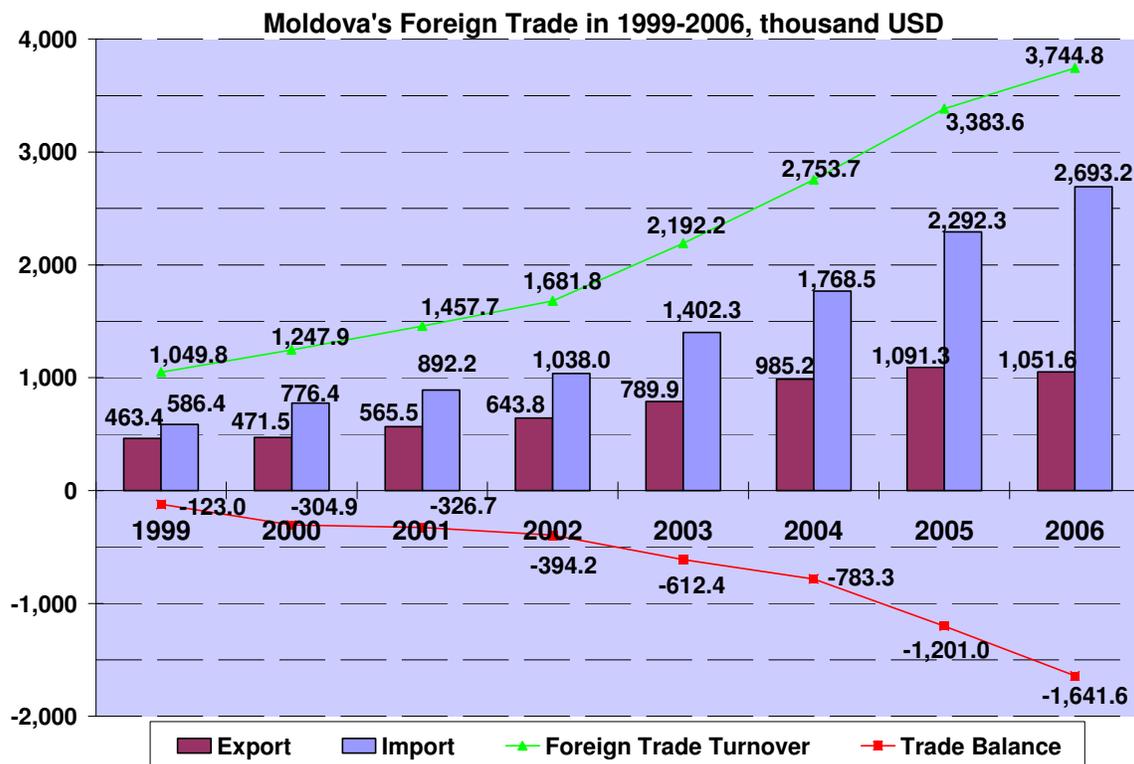
Moldova, a 4-million strong Southeast European nation similar in size to the U.S. state of Maryland, has been experiencing its seventh consecutive year of economic growth after a downsize that hit the country after the breakup of the Soviet Union in 1991. The 2006 GDP reached USD 3.04 billion, slowing down its growth pace to 4% from 7.5% in 2005 as a result of a double shock generated by a Russian embargo on Moldovan wines and a double hike on gas prices. Projections for 2007 look positive, with a higher expected GDP growth rate of 5% forecast by the government and IFIs.

Moldova's foreign trade turnover has been steadily increasing since the economic pickup started in 1999. Among the peculiarities of Moldova's foreign trade in recent years has been a growing trade deficit. The country's imports have been growing a few times faster and have been more diversified than exports, reflecting the lack of domestic natural resources and growing demand for high quality consumer goods that local underdeveloped manufacturing industries cannot satisfy. Outbound deliveries, on the other hand, are dominated by traditional export categories -

food and beverages - going toward eastern markets, especially Russia. These trade vectors do not require extra marketing effort from Moldovan companies, as the consumers in those markets are already familiar with Moldovan products. Apparel and footwear items are another major export in pay-for-service arrangements that domestic companies have with West-European businesses.

In 2006, Moldova's foreign trade turnover stood at almost USD 3.745 million, up 10.7% from 2002. 2006 was the first year in recent history where exports did not follow the growing trend of previous years and dropped by 3.6%. Imports, on the other hand, continued growing at a rate of 17.5%.

The U.S. was among Moldova's 15 largest trade partners in 2006. Imports from the U.S. represented USD 35.9 million, down 12% from 2005, accounting for 1.3% of the country's total imports. Moldova's exports to the U.S. plunged 56.7% in 2006 to USD 22.7 million.



Source: National Statistics Bureau [www.statistica.md](http://www.statistica.md)

In the first quarter of 2007, exports showed signs of recovery, rising 7.8% to USD 270.6 million, while imports grew an impressive 39% to USD 747.1 million over the same period. As a result, the country's trade deficit through March rose 66.4% to USD 476.5 million. Russia lost its leading position to become Moldova's second most important export market with a share of 15.6% (versus 31.7% in 1Q2006), falling behind Romania's 17.3% (versus 11.9% in 1Q2006). The European Union (EU) provided the main export outlet in the first quarter with 54.2%. Exports to Romania and Bulgaria rose despite concerns that the two countries' joining the EU economic area on January 1, 2007 would slow trade after their withdrawal from the free trade

arrangements with Moldova. In contrast, the CIS had a share of 33.7% in January-March 2007 versus 50.4% a year earlier. With the Russian wine ban still in place, exports of alcoholic beverages plunged 81.4% in the first quarter. Moldova exported mainly textiles, vegetal products, and foods and drinks. Import growth was driven by metals, transport equipment, mineral resources, and chemicals. Russia and Ukraine remain by far the main source markets for Moldovan imports. Moldova projects a USD 1.94 billion trade deficit for 2007.

### *Customs environment in general*

Wedged between Romania and Ukraine, Moldova has been actively promoting free trade with its immediate neighbors and main trade partners. The country was among the first CIS countries to join the World Trade Organization on July 21, 2001. Moldova signed free trade agreements with most of the CIS states. Moldova is part of a matrix of bilateral free trade agreements signed within the Stability Pact for South Eastern Europe since 2001. The completed free trade agreements have migrated under the umbrella of the Central European Free Trade Agreement (CEFTA) signed in December 2006 and comprising, besides Moldova, the following countries: Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro and Serbia. Moldova also enjoys the treatment of general system of preferences (GSP) from developed countries, which means duty-free exports for a range of products from Moldova to developed countries. An extended range of goods under the so-called GSP+ preferential treatment was granted to Moldova by the European Union in 2006. The country is currently negotiating autonomous trade preferences, which are a preferential trade regime provided unilaterally by the EU and is characterized by a high degree of liberalization.

According to the Moldovan Ministry of Economy and Trade, Moldova's average customs tariff rate is 5.7%. At the same time, Moldova applies 0% customs tariff rates on about 50% of all tariff schedule products.

Major reforms are taking place in Moldovan Customs. It is estimated that 70% of Moldova's Customs Code was done in compliance with the International Convention on Simplification and Harmonization of the Customs Procedures (the Kyoto Convention). However, Moldova has not yet ratified the convention itself.

Problems still remain in the relations between businesses and customs, attributable to flaws in the regulatory framework and different interpretation of laws. As with many transition countries, corruption and smuggling have also been a problem. While customs laws have generally been regarded as being in line with EU standards, problems remain in the implementation of rules and transparency of the decision-making process. Another challenge for the authorities has been securing 470 km on the eastern border of Ukraine, which is under the control of the breakaway region of Transnistria, including 25 official crossing points (5 international, 8 inter-state and 12 local). Moldovan Customs informs carrier companies about authorized border crossing points on the Transnistrian section of the Moldovan-Ukrainian border. A European Union Border Assistance Mission (EUBAM) was established in November 2005 to enhance Moldovan and Ukrainian capacities for border and customs control and border surveillance. The current mandate of the EUBAM Mission is valid until November 2007.

In 2006, Moldova established the institution of customs broker and customs specialist, replacing the previous institution of customs declarant. The establishment of new institutions has brought a higher responsibility assumed by the interface between businesses involved in foreign trade and customs during the customs processing procedures.

Along with other countries participating in the Southeastern European Cooperation Initiative (SECI), Moldova joined the Trade and Transport Facilitation in Southeastern Europe Project (TTFSE). The project aimed to strengthen and modernize the customs administration and other border control agencies in all member countries. The project aims were to reduce non-tariff costs to trade and transport and to prevent smuggling and corruption at border crossings. An important aspect of this customs modernization project was the implementation of the ASYCUDA World software for automated declaration of goods at customs. ASYCUDA World, developed by the UN Conference on Trade and Development (UNCTAD), became the core of the Moldovan Integrated Customs Information System. The system cut the time necessary for filling out the customs declaration and connected all customs bureaus into one system, allowing authorized customs brokers and specialists to have online access to the system.

Customs still needs to implement the simplified procedure of customs declaration and extend the one-window approach during customs processing.

## **II. CUSTOMS CLEARANCE**

Commercial goods or goods used in production amounting to over 500 Euros can be introduced into the customs territory only by officially registered businesses. Goods with commercial or production use amounting to over 100,000 Euros can be taken out of Moldovan customs territory only by officially-registered businesses. There are limits on the number and type of goods for personal use that can be introduced into the country duty free. Individuals bringing into the country goods that are not for personal, commercial or production use and amount to over 200 Euros have to pay import duties. Also, an individual may only bring into or take out of the country five pieces of jewelry duty-free on the condition that these are not homogenous.

### ***Customs Clearance Procedure***

When goods and vehicles are introduced on the Moldovan customs territory, the border customs officials register the crossing and instruct the carrier as to the location and time of delivery of goods and vehicles to a designated customs office to undergo customs clearance procedures. Once at destination, the carrier must notify the designated customs office within 30 minutes about the arrival of goods and vehicles.

Before the customs clearance procedure is complete, goods and vehicles must be placed in a temporary warehouse under customs supervision. Unless otherwise provided by law, the period of storage in a temporary customs warehouse may not exceed 20 days and will depend on the time necessary to perform all customs clearance procedures and on the type of goods and vehicle. Until the customs clearance is complete, the carrier is responsible for the goods and vehicle.

The person conveying goods and vehicles across the customs border or the authorized customs broker representing that person declares the goods and vehicles at a customs office. Moldovan law calls such a person or customs broker a “declarant.” The customs clearance takes place at designated customs offices in the region of activity of the consignee. At the request of the consignee, the customs clearance may take place in other places (e.g. at the company’s premises).

The declarant (either the consignee or the customs broker) has to do the following:

1. declare all goods and vehicles as per Moldovan legislation;
2. show, at the request of the customs office, the declared goods and vehicles;
3. submit all the documents and additional necessary information;
4. pay all duties and taxes;
5. assist the customs office in the customs clearance procedure, including the loading/unloading of goods.

Once accepted by the customs office, the customs declaration takes legal power. (For more about the customs declaration procedure and accompanying documents, please see the Import Regime or Customs Documentation.)

Once the customs declaration has been accepted, the customs office has 10 days to verify the customs declaration and accompanying documents as well as perform the control of goods and vehicles. When clearing goods necessary for the alleviation of natural disasters, catastrophes or accidents; live animals; perishable products; radioactive substances; and mass media materials, customs will perform the duties within three days. If a presentation of goods and vehicles is solicited, the verification period starts from the moment such a presentation is made. In both situations, the period does not include the time necessary for other authorities to perform a control.

During the customs clearance procedure, the customs officials may:

1. Request the person conveying the goods to assay the goods or perform other operations to determine the volume/quantity of conveyed goods; to load/unload; to pack/unpack; open containers or other spaces where declared goods and vehicles may be located;
2. Take samples and specimens of goods for examination in the presence of the owners of the goods.

### ***Customs Regimes and Destinations***

The new changes made to the Moldovan Customs Code in 2005 regrouped the previous regimes into customs regimes and destinations. The crossing of goods and means of transport over the customs border is done in accordance with the customs regime chosen. Any customs regime starts with the presentation of goods and means of transport to customs organs and ends with a customs clearance. The Moldovan legislation distinguishes between definitive and suspensive customs regimes. Unlike the definitive regimes, suspensive regimes, as the name suggests, temporarily suspend (either partially or completely) the customs and/or tax payments due on foreign trade operations. The Customs Code defines some suspensive regimes as carrying an

economic impact. A business can place goods in a suspensive regime with an economic impact only upon receipt of payable authorization from Moldovan Customs. A suspensive customs regime requires the setup of a guarantee (bond) to ensure the settlement of any obligation arising later. The terms for the setup of a guarantee may vary per customs regime chosen.

Customs regimes:

definitive regimes		suspensive regimes					
import	export	transit	with economic impact				
			customs entrepot	active processing	transformation under customs control	temporary admission	passive processing

The Customs Code defines customs destination as the placement of goods in a customs regime, free zone, duty-free store, re-export, destruction or renunciation in favor of the state.

Regardless of the quantity, origin, type, mode of transport and destination of goods, businesses may choose or switch to whichever regime they need.

The main regulatory documents on customs regimes are the Law on Customs Code and the Government Decision on Regulations for Customs Destinations.

#### **a) Import**

Imported goods are cleared for free circulation on the customs territory only after the importer meets all payment requirements and measures of economic policy. Meeting payment requirements implies the payment of applicable taxes and duties, which include the following:

- 1) Import duty as per the Customs Tariff;
- 2) Value added tax (VAT), which, barring exceptions, is 20%;
- 3) Excises as per the Tax Code;
- 4) Customs processing fee;
- 5) Authorization (license) fees.

Companies will also have to settle any other payments such as customs bidding fees or other duties as required by law.

Measures of economic policy imply the observance of restrictions on the introduction or exportation of goods and vehicles out of Moldova established for the purpose of economic policy, which provide for licensing, quotas, taxation, and price ceilings and thresholds.

Imports from certain countries enjoy preferential tariff treatment. Such treatment would be applicable only upon the submission of a certificate of origin for the imported goods. In the event such preferential treatment is tied to a quota, the importer will also have to submit an import certificate from the relevant authority.

In the event the consignment is made up of goods with different tariff codes and the completion of the customs declaration entails efforts and expenses disproportionate to the amount of duties

and taxes due, the customs body, at the request of the business, may dispose of charging the highest of the tariffs applicable on the goods in the consignment.

The customs clearance, as a rule, takes place at the regional customs office in the range where the importer is located.

For details on the type of documents submitted to customs please see Customs Documentation.

Once the stamp “Liber de vama” (Free from customs) is applied, the imported goods may be put into free circulation.

## **b) Export**

Export implies that goods are permanently taken out of Moldova’s customs territory. Goods may be placed in this regime if all applicable taxes and fees have been settled, measures of economic policy are respected and other requirements set out by the law are respected.

The exporter has to submit the customs declaration to the customs bureau nearest its legal address or nearest to the place that the goods are loaded. In reasonably justified cases, the customs declaration can be submitted to a customs bureau at the border. The export of certain goods can be done only through internal or border customs bureaus.

Goods can be exported temporarily, but their reintroduction should be effected within 3 years.

## **c) Transit**

In a transit regime, goods are transported under customs supervision from one customs point to another, without payment of any duties and/or taxes, unless otherwise provided by law. Goods or vehicles in transit are placed under customs seal. Goods can be transited only upon receipt of authorization from the Customs Service. The transit period cannot be greater than 8 days. Prohibited goods cannot be placed under the transit regime. Goods with restricted entry into Moldova cannot be transited unless the necessary requirements are respected. Goods may not be used for purposes other than transit. The customs point will set the time in which transited goods will have to reach the point of destination depending on the means of transport, distance, weather conditions, etc. Once at the destination point transited goods have to be intact (except for natural wear and tear), as do the identification signs applied by customs.

The following transit systems applicable in Moldova are:

- Transit system of the European Community – applied on goods transported by road or railway in accordance with the methodological norms stipulated by the customs service’s order;
- T1 certificate – applied on 1) imported goods entering Moldova before reaching the customs bureau of destination for final customs processing and 2) goods bound for export that were processed by an internal customs bureau before reaching the border customs point;

- TIR system - according to TIR convention signed in Geneva in 1975, June 14
- ATA system, according to the Convention signed in Brussels in 1961, December 6

The carrier company will choose the transit system used for the goods.

#### d) Customs Entrepot

Under the customs entrepot regime, goods are placed in a warehouse under customs supervision without payment of duties and taxes. Payable are only customs processing fees. Any goods, except those prohibited for import or export, may be placed under a customs entrepot regime. Upon expiry of the warehousing period, the goods have to be placed under a different customs destination or stored in a different entrepot. Goods under a entrepot regime may undergo some form of treatment to protect against decay or wear or some preparatory operations before the sale or transportation. Such treatment must not change their technical, qualitative or quantitative specifications. The party submitting the customs entrepot declaration must guarantee any customs obligations in full against events when the customs entrepot regime is not respected. The customs entrepot owner may guarantee the obligation instead of the consigner, except for situations when the Customs Service is the owner of the entrepot. The law also sets out the types of customs entrepots and the requirements such entrepots have to meet.

Types of customs entrepots:

<b>Public Entrepot</b> intended for storage of any merchandise and accessible to any person	Type A	<ul style="list-style-type: none"> <li>• Goods stored under the responsibility of entrepot owner</li> </ul>
	Type B	<ul style="list-style-type: none"> <li>• Goods stored under the responsibility of the consigner</li> </ul>
	Type D	<ul style="list-style-type: none"> <li>• Entrepot owned by the Customs Service</li> <li>• Goods stored under the responsibility of the consigner</li> </ul>
<b>Private Entrepot</b> intended for storage merchandise belonging to entrepot owner	Type C	<ul style="list-style-type: none"> <li>• Same entrepot owner and merchandise consigner</li> </ul>

A full list of companies authorized to run customs entrepots are available from the Customs Service at: <http://www.customs.md/acte/index.php?nivel=2&poz=6&lang=ro>.

#### e) Active Processing

The active processing regime implies that the following goods undergo some form of processing:

- 1) Foreign goods are taken out of the customs territory as compensatory goods; no customs duties are payable or measures of economic policy applicable – the so-called “suspensive regime”;

- 2) Goods imported and cleared for free circulation on condition of being taken out of the customs territory as compensatory goods; customs duties are paid and refunded at the moment of export – the so-called “drawback regime.”

A company can enjoy this regime on condition of sufficient proof that the resulting main compensatory products will be re-exported. The period of active processing is set by customs taking into consideration the period necessary for the manufacture of the final products.

#### **f) Transformation Under Customs Supervision**

The regime allows foreign goods to undergo operations that transform their state or character under customs supervision on Moldova’s customs territory without the application of customs duties or measures of economic policy. Resulting products are put in free circulation upon payment of any applicable customs duties.

Goods can be placed under transformation under customs supervision on condition they meet the following requirements:

- goods actually undergo the transformation
- goods cannot be reconverted into their original form after transformation,

#### **g) Temporary Admission**

This regime is designated for temporary use of goods on Moldova’s customs territory, with the partial or full exemption from paying duties or taxes and without the application of measures of economic policy. Temporarily admitted goods have to be re-exported in their initial state, except for natural wear and tear. During the temporary admission period, such goods shall remain in foreign citizen’s ownership at all times. Such goods may not be sold, rented, sub-rented, pledged, transferred or put at the disposal of another person in Moldova without Customs Service’s approval and payment of customs duties.

The following goods can be placed under temporary admission with the total suspension of customs duties:

- professional materials, including printing, radio broadcasting and TV equipment, specialized vehicles for up to 12 months;
- materials for trade shows, fairs, conventions or the like, including free product samples;
- goods imported for educational, scientific or cultural purposes for a period of up to 12 months;
- medical, surgical or laboratory equipment sent free of charge to hospitals and other sanitary institutions for diagnostic or other therapeutic purposes to supplant any insufficiency;
- materials to be used in catastrophe alleviation works;
- containers, inner or outer packaging and certain pallets usually for up to 6 months except for cases when such goods are the object of a purchase, rental, borrowing or other similar commercial transaction conducted by a Moldovan resident;
- road vehicles, railway transport means, air ships and sea ships.

For a detailed list of goods and applicable requirements, businesses should consult the Customs Service and governmental regulations on customs regimes and destinations. Some goods can be placed under temporary admission with partial suspension of customs duties, i.e. a guarantee shall be made to ensure the coverage of any potential customs obligation arising later.

Moldova signed the Customs Convention on the Temporary Importation of Commercial Road Vehicles (18 May 1956, Geneva). The ATA carnet will have limited use in the country, as Moldova is not a signatory of the 1990 Istanbul Convention on Temporary Admission.

#### **h) Passive processing**

In passive processing, domestic goods are processed or transformed outside Moldova without the application of measures of economic policy, while the resulting products are imported with the full or partial exemption from customs duties and taxes with the application of measures of economic policy.

#### **i) Free Zone**

In such a zone, foreign goods are placed without the payment of duties and taxes and without the application of measures of economic policy. Domestic goods placed in such a zone are treated as exports. Goods placed in the free zone may undergo operations of production, sale (except for retail sale) and others as stipulated by the law. If goods are exported from the free zone into the other side of the Moldovan customs territory, all duties, taxes and measures of economic policy are applicable. If goods are exported from the free zone outside of Moldova, no duties, taxes or measures of economic policy are applicable.

The Law on Free Economic Zones regulates the activities in a free enterprise zone. The law provides a series of tax breaks to FEZ residents.

#### **j) Duty-Free Store**

In a duty-free store, goods are sold under customs supervision in special retail stores located in international airports and aboard airplanes. Only people who are leaving the country and who went through the customs clearance procedure may buy goods in a duty-free store for foreign currency (usually US dollars or Euros) or Moldovan lei. Any goods may be placed under the duty-free regime, except for those prohibited for import or sale in Moldova and goods that do not meet the duty-free store regime requirements. Goods with restricted sale in Moldova may be sold under the duty-free store regime provided other legal requirements are respected. Any legal entity may set up a duty-free store after the receipt of authorizations from the Ministry of Economy and Trade and the National Bank, Moldova's central bank. Such authorizations are issued for a period of five years. Also, in accordance with the Moldovan legislation, any legal entity may also set up diplomatic duty-free stores.

#### **k) Re-export**

Under re-export, imported goods are taken out of Moldova's customs territory without the application of customs duties or measures of economic policy. Re-export of goods involves similar formalities applicable in the case of export.

### **l) Destruction**

Destruction implies that foreign goods are destroyed under customs supervision, without application of duties and measures of economic policy. The destruction is done at the expense of the interested party. Any resulting waste or debris will be placed under a new customs destination.

### **m) Renunciation in Favor of the State**

A person may surrender goods in favor of the state without the application of measures of economic policy or the customs duties. The interested party will cover any expenses involved in the renunciation procedure.

## ***Customs Documentation***

### **a) Customs Cargo Declaration**

Goods and vehicles crossing the customs border or changing the customs regime have to be declared. The declaration may be done in written form or verbally. Even though the law provides for electronic declaration, such option is not yet available for businesses. Both goods and vehicles are declared at the regional customs office. Unloaded vehicles, passenger vehicles and excisable goods that are declared at the customs border crossing are exempt from the rule.

The customs declaration must be submitted within 72 hours of crossing Moldova's customs border. The period is extended to 168 hours for railway transportation at stations where train echelons are formed. Imported natural gas and electricity must be declared by the 20<sup>th</sup> of the following month.

The customs declaration can only be modified, updated or withdrawn before its verification and the control of goods and vehicles is conducted by customs.

The Customs Code provides for a simplified procedure of customs declaration under certain circumstances. It allows for temporary or incomplete declaration when the person has objective reasons and allows for periodical customs declaration at certain times for all shipments when a person regularly ships the same goods on the same vehicle.

For the purpose of statistics, exported goods are declared at the value of FOB port of entry or DAF port of entry as per Incoterms; imported goods are declared at the value of CPT port of entry or CIP port of entry as per Incoterms.

When submitted, the customs declaration has to be accompanied by other documents as required by law. The number and type of documents that businesses have to submit during the customs

clearance will vary depending on the customs regime chosen and goods being cleared. Therefore, it is strongly recommended that businesses check with the Moldovan customs or a customs broker in making specific decisions regarding the number and types of customs documents. A general list of documents that businesses will have to submit can be found in the table below.

Documents to be submitted to the customs office by businesses:	Sewn and sealed in the company's file at the customs office at each declaration of goods
1) customs cargo declaration;	Original copy #3
2) contracts on delivery goods;	Copy authenticated by the business
3) letter of consignment, which may be the following: <ul style="list-style-type: none"> <li>• carriage of goods by air: air waybill as per the Warsaw Convention of 10/12/1929</li> <li>• carriage of goods by road: <ol style="list-style-type: none"> <li>1) CMR consignment note as per the Geneva International Convention on the Contract for the International Carriage of Goods by Road of 05/19/1956, and</li> <li>2) TIR Carnet as per the Geneva Customs Convention on International Transport of Goods under Cover of TIR Carnets of 11/14/1975;</li> </ol> </li> <li>• carriage of goods by railway: consignment note as per the International Agreement on International Carriage of Goods by Railway of 11/01/1951;</li> <li>• carriage of goods by naval transport: bill of lading as per the Hamburg UN Convention on the Carriage of Goods by Sea of 1978.</li> </ul>	Copy authenticated by the business (except for the TIR carnet)
4) commercial papers (official documents containing data on cost of goods being carried and their specifications, such as pro-forma invoice as well as other foreign trade documentation);	Copy authenticated by the business
5) licenses;	Copy authenticated by the business
6) authorizations;	Copy authenticated by the business
7) certificates of conformity;	Copy authenticated by the business
8) certificates of origin;	Original
9) repatriation declaration;	Original

10) evaluation/assay documentation;	Original
11) constitution documentation, including: <ul style="list-style-type: none"> <li>• business registration certificate,</li> <li>• company charter or decision of foundation,</li> <li>• incorporation articles,</li> <li>• statistical code certificate,</li> <li>• fiscal code certificate,</li> <li>• VAT payer registration certificate,</li> <li>• all documents verifying the appointment of the company's manager and chief accountant.</li> </ul>	Copy authenticated by the business submitted only for the first transaction
12) certificates confirming bank accounts;	Original submitted only for the first transaction
13) companies' documents confirming the sample seals;	Original submitted only for the first transaction
14) companies' documents with sample signatures of people who may represent the company without power of attorney;	Original submitted only for the first transaction
15) demarches from the companies;	N/a
16) documentation translated by authorized legal entities;	Original
17) power of attorney issued to the company's representative declaring the goods;	Original
18) identification documents of the company's representative declaring goods;	Copy authenticated by the business
19) car registration and driver's license	Copy authenticated by the business
20) acts translated by authorized entities;	Original
21) other documents as needed for customs clearance.	Original

In the event the same document needs to be submitted along with other customs declarations, it will be attached to the first declaration only. The transit will not require the submission of all aforementioned documents except for specific items such as waste or weapons. However, the transit will require the following documents: letters of consignment, commercial papers, ID, car registration and driver's license.

The regional customs office opens a company file to keep track of the company's foreign transactions by inserting documents in the file as per the table above.

As a rule, an importer is expected to submit the certificate of conformity, hygiene certificate, veterinary certificate and phitosanitary certificate to customs. Such certificates have to be issued or confirmed by the relevant Moldovan authorities.

An importer may also be expected to submit other certificates and authorizations.

Below is a description of the main certificates businesses may have to submit.

## **b) Certificate of Origin**

A certificate of origin must be submitted in the following situations:

- 1) the country where the import originates enjoys preferential treatment under the Customs Tariff;
- 2) the import from the respective country is restricted or subject to other requirements of the foreign trade policy;
- 3) the legislation concerning environmental protection, health, consumer protection and state security as well as international agreements to which Moldova is a party sets out such provisions;
- 4) the commercial papers submitted to customs do not contain information about the origin of products or the customs has reason to believe that the declared origin of goods is false.

As a WTO member, Moldova applies WTO-compliant rules for determination of the country of origin.

The country of origin is regarded to be the country where the good was fully manufactured or underwent sufficient processing as per criteria set out in Moldovan legislation or international agreements to which Moldova is a party.

The Moldovan law distinguishes between preferential and non-preferential rules of origin. Preferential rules of origin include legal and regulatory requirements of general application used to determine whether goods enjoy preferential treatment in the foreign trade with a country. Non-preferential rules of origin include the same general requirements, but have no bearing on determining the preferential treatment of goods. Such rules will be used for the application of: the most favored nation treatment; antidumping and countervailing duties; safeguarding measures; and rules of marking the origin or any discriminatory tariff contingencies.

Moldova currently applies preferential tariff treatment on goods imported from most of the CIS and member countries of the Central European Free Trade Agreement (CEFTA). Businesses importing goods from these countries will have to submit a certificate of origin to the customs in order to enjoy the preferential tariff treatment. The models of the certificates of origin for preferential treatment are established in the free trade agreements Moldova is party to (ST1 for CIS, Eur1 for CEFTA and type A for EU).

Starting in 2006, the Moldovan Chamber of Commerce and Industry began phasing out its powers of issuance of certificates of origin for the Moldovan exporting companies and transferring this right to the Customs Service. The Customs Service issues type A certificates of origin for exports bound for the EU and type Eur1 certificates for shipments bound for CEFTA.

Moldovan Chamber of Commerce and Industry  
Blvd. Stefan cel Mare 151

Chisinau MD 2004, Moldova  
Tel. (373 22) 22 15 52  
Fax (373 22) 23 44 25  
e-mail: [president@chamber.md](mailto:president@chamber.md)  
[www.chamber.md](http://www.chamber.md)  
Chairman: Gheorghe Cucu

### **c) Certificate of Conformity**

As per the Law on Product Conformity Assessment, products that may pose a danger to life, health, security, consumers' property and environment must receive certificates of conformity. The Government of Moldova approves a special list of products that require mandatory certification of conformity. If imported, such goods have to be accompanied by a certificate of conformity. Even though the law prescribes the application of declarations of conformity instead of certificates of conformity, a viable mechanism for the implementation of these provisions has not yet been developed. Also, the law presupposes that imported goods subject to mandatory certification have to be marked with the national conformity mark SM. This prescription is not yet fully applicable.

The list of goods that require mandatory certification is extensive, including but not limited to food products, textiles, furniture, construction materials, chemicals, fuels, electric equipment, electric home appliances, and plastics. The Moldovan Government approves the detailed list of goods. Interested parties may find the most recent list approved in 2004 and published by the Official Monitor of Moldova on January 7, 2005.

Products certified in the country of origin, with which Moldova has signed agreements on mutual recognition of results of product conformity evaluation, undergo a simplified procedure of validation of the certificates of conformity. Moldova has signed such agreements with most of the CIS countries.

Moldova has a National System of Assurance of Product Conformity, which has its rules and procedures for performing the national conformity assessment. The system is made up of the Standardization and Metrology Service, the central regulatory body; the central public authorities that have a regulatory and advisory function; and the accredited evaluation bodies – usually research institutes and laboratories – that perform the actual evaluation of product conformity. Over 30 research institutes and laboratories were accredited as part of Moldova's National System of Assurance of Product Conformity.

Below is a list of bodies of the National System of Assurance of Product Conformity relevant to product conformity certification.

Standardization and Metrology Service  
Strada Eugen Coca 28  
Chisinau MD 2039, Moldova  
Tel. (373 22) 218 412  
Fax (373 22) 75 05 81

[www.ssm.gov.md](http://www.ssm.gov.md)

Director General: Sergiu Baban

National Institute of Standardization and Metrology

Strada Eugen Coca 28

Chisinau MD 2039, Moldova

Tel. (373 22) 74 85 42

Fax (373 22) 24 54 14

**Director General: Alexandru Tarlajanu**

[www.standard.md](http://www.standard.md)

National Agency for Industrial Safety and Certification

Strada Serghei Lazo 48

Chisinau MD 2004, Moldova

Tel. (373 22) 20 81 50 /20 81 51

Fax (373 22) 20 81 66

Director General Nicolae Suprovici

Institute of Scientific Research in Construction INCERCOM

Strada Independentei 6/1

Chisinau MD 2043, Moldova

Tel. (373 22) 77 68 36

Fax. (373 22) 77 69 30

e-mail: [incercom@mail.md](mailto:incercom@mail.md)

Director General: Anatol Chisner

#### **d) Hygiene Certificate**

Moldovan law requires submission of a hygiene certificate before the following products can be admitted into the territory of Moldova: food products (including raw food materials, semi-finished products and final products), food additives, materials used for water transportation and drinking water supply, goods that come into human contact, materials used in construction, goods and items of household chemistry, cosmetics and perfumery. The full list of products that require a hygiene certificate is included in decision #5 of 02/20/2006 of the Ministry of Health. Some goods that are imported for the first time into the country need to be registered before their actual importation.

The hygienic evaluation of imported goods is done through the following methods:

- sanitary-epidemiologic evaluation of the enterprise by conducting laboratory investigations on product samples;
- hygienic evaluation of products on the basis of contract between the producer (supplier) and buyer (distributor);
- hygienic evaluation of a batch of products.

In all cases, the certificate is issued for a year or covers the shelf life of the product.

In order to get the certificate, an importer will have to submit the following:

- veterinary certificate (for animal food products);
- copy of registration certificate;
- product samples as required for laboratory testing.

The period of investigation shall not exceed 10 business days from the time the application is submitted. The certificate is issued free of charge.

For situations where an exporting country signed an agreement with Moldova on mutual recognition of hygiene certificates, importers should submit originals or authenticated copies of hygiene certificates, results of laboratory investigations and product assays. The recognition is done within 10 days.

The State Sanitary-Epidemiological Service performs the hygienic evaluation and issues the hygiene certificate. The State Sanitary-Epidemiological Service is part of the Ministry of Health and consists of the National Scientific and Practical Center for Hygiene and Epidemiology, district and municipal centers of hygiene and epidemiology and other institutions of preventive medicine.

Ministry of Health  
Strada Vasile Alecsandri 2  
Chisinau MD 2009, Moldova  
Tel. (373 22) 72 99 07  
Fax (373 22) 73 87 81  
[www.ms.gov.md](http://www.ms.gov.md)  
Minister Ion Ababii  
State Sanitary Doctor in Chief and Deputy Health Minister Ion Bahnarel

Preventive Medicine Direction  
Ministry of Health  
Strada Vasile Alecsandri 2  
Chisinau MD 2009, Moldova  
Tel. (373 22) 72 99 83  
Deputy State Sanitary Doctor in Chief: Iurie Panzaru

National Scientific and Practical Center of Preventive Medicine  
Strada Gheorghe Asachi 67 A  
Chisinau MD 2028, Moldova  
Tel. (373 22) 72 96 33/72 96 47/ 73 58 22/ 57 45 01  
Fax (373 22) 72 97 25  
E-mail: [management@sanepid.md](mailto:management@sanepid.md)  
[www.sanepid.md](http://www.sanepid.md)  
State Sanitary Doctor in Chief: Ion Bahnarel

## **e) Veterinary Certificate**

The passage through the state border of shipments of live animals, animal products and subproducts, raw animal materials and fodder from other states is admitted only upon submission of documents certifying the correspondence of these shipments with the Moldovan sanitary-veterinary requirements and the authorization of the Veterinary Medicine Direction with the Veterinary Inspection of the Ministry of Food and Agriculture.

As per Moldovan law, the import of such products is made only through preliminary veterinary evaluation and through the issuance of veterinary import permits. Importers will have to meet a range of sanitary-veterinary requirements to engage in export/import activities and obtain a sanitary-veterinary authorization for export-import operations. The number and types of documents to be submitted to the Veterinary Medicine Direction to obtain such a veterinary import will vary by product and destination of shipment. Moldova has highly restrictive import regulations for meats and dairy products. Importers in particular are required to address the Veterinary Medicine Direction before actually signing contracts with suppliers or buyers. Companies will need to check with the Direction for a specific list of documents for each transaction.

Below are a list of the documents that must be submitted in the event of imports of animal products and subproducts:

- application;
- copy of the sanitary-veterinary authorization for the import-export activities;
- trial reports, issued by a laboratory accredited in the country of origin, indicating the composition, physicochemical and microbiological indicators for each product as per product registration in the country of origin;
- copy of the international veterinary certificate issued by the official sanitary-veterinary service of the exporting country written in the home country's language and/or Romanian indicating the data from the laboratory test;
- copy of the sales contract coordinated with the Ministry of Agriculture and Food.

Along with the copies, companies have to submit originals to the Veterinary Medicine Direction to verify authenticity of such copies.

At the time of veterinary import permit issuance, the Veterinary Medicine Direction checks the epizootic situation in the exporting country and the country of provenance of the products. The Direction issues the veterinary import permit per each shipping lot. The permit is valid for 10 days and cannot be extended. The original permit has to be presented to the veterinary office at the border crossing point.

The State Veterinary Service, in which the Veterinary Medicine Direction plays a central role, is responsible for exercising control over and verifying the quality of imported and locally produced veterinary products. The contact information of relevant bodies is provided below.

Ministry of Agriculture and Food  
Blvd. Stefan cel Mare 162

Chisinau MD 2012, Moldova  
Tel. (373 22) 23 34 27  
Fax (373 22) 23 77 31  
[www.maia.gov.md](http://www.maia.gov.md)  
Minister: Anatolie Gorodenco

Veterinary Medicine Direction with the State Principal Veterinary Inspection  
Ministry of Agriculture and Food  
Blvd. Stefan cel Mare 162  
Chisinau MD 2012, Moldova  
Tel. (373 22) 21 01 59/21 01 56  
Fax (373 22) 21 01 57/21 05 13  
Acting Chief Veterinary Inspector: Grigore Porcescu

#### **f) Phitosanitary Certificate**

The introduction of certain products into Moldova from a foreign country is allowed only upon submission of import permits from the State Phitosanitary Quarantine Service and phitosanitary certificates from the exporting country. If such a certificate is not issued in the country of origin, the import will be allowed only if authorized by the State Phitosanitary Quarantine Service.

The following products are subject to phitosanitary quarantine and phitosanitary certification:

- seeds and planting material of agricultural, forest and decorative cultures, plants and parts thereof (scions, bulbs, root tubers and fruits) as well as any other vegetal products carrier of quarantine objects;
- cultures of live mushrooms, bacteria, viruses, nematodes, acarines and insects;
- collections of insects or pathogenic agents of plant diseases and samples thereof or seeds as well as herbariums;
- agricultural machinery and earth tilling tools;
- transport means;
- all types of packaging, packaging materials, industrial goods and articles made from vegetal materials which can be carriers of plant diseases or weeds;
- monoliths and soil samples.

All products and vehicles entering Moldova will be subject to quarantine control at border crossing points and, if needed, undergo laboratory expertise or decontamination. Importers must address the State Phitosanitary Quarantine Service at least 10 days before the shipment of products subject to phitosanitary certification in order to be issued all necessary certificates and authorizations.

The State Phitosanitary Quarantine Service ensures the protection of plants, resulting vegetal products and raw materials from plant diseases or weeds that are unattested or the spread of which is restricted. The main bodies of the State Phitosanitary Quarantine Service are the State Principal Inspectorate for Phitosanitary Quarantine; the Central Scientific-Diagnostic Laboratory of Quarantine, Identification and Arbitrage Expertise; regional phitosanitary quarantine inspections; and the border points of phitosanitary quarantine.

State Principal Inspectorate for Phitosanitary Quarantine  
Strada Ialoveni 100 B  
Chisinau MD 2070, Moldova  
Tel. (373 22) 28 44 17  
Fax (373 22) 28 46 66  
Chief Inspector Nicolae Soia

### **g) Other authorizations and licenses**

Except for certain critical products, there is no import/export licensing per se in Moldova. The law on licensing certain activities reduced the number of business activities subject to licensing from over 100 to just 50. The government also set up the Licensing Chamber to facilitate the issuance of business licenses. Nevertheless, businesses may need to get other special authorizations or certificates when dealing with some products. This includes pharmaceutical and medical products and equipment, chemical and biological material for stimulation of plant growth, gasoline and diesel, tobacco items, weapons and ammunition, meat products, walnut, and scrap and waste of ferrous and non-ferrous metals.

### ***Customs Payments***

All customs payments due have to be made before the actual submission of the customs declaration in the national currency, the leu. Any currency conversion is done at the exchange rate set by Moldova's National Bank at the time of payment obligation. The payment is made in cash or bank transfer (including payment cards) to the Central Treasury of the Ministry of Finance. At customs clearance, only settlements of any arising differences will be accepted. The Customs Service may extend or reschedule the payments. In the event that this happens, an interest is accrued and penalties may be calculated for violation of deadlines. As guarantee of payment, the Customs Service may ask the person to provide a bond (guarantee), such as goods or vehicles, guarantee from a bank or other financial institution and deposit account with the Customs.

Individuals not engaged in commercial activity will pay all duties and taxes at the time of the customs border crossing. Individuals in transit through Moldova carrying a volume of goods above the norm will have to make a deposit equivalent to the total duties and taxes payable on the surplus.

Businesses have to settle the following customs payments:

1. customs duty as per the Customs Tariff;
2. value added tax (VAT);
3. excises as per the Tax Code;
4. customs processing fee;
5. authorization (license) fees.

## a) Customs Duty

Unless otherwise provided by the free trade agreements, customs duties are levied on any goods crossing the Moldovan customs border. According to the Moldovan Law on Customs Tariff, the basis for calculation of the import duty is the natural volume or customs value of the goods.

The Moldovan law provides for six methods of calculation of the customs value of imported goods (listed by priority):

1. Transaction value of the respective goods or the actual price of goods payable or paid;
2. Transaction value of similar goods;
3. Transaction value of identical goods;
4. Unit cost of goods;
5. Calculated cost of goods;
6. Reserve method.

At determining the customs value, the customs uses the first method and applies the subsequent methods in the event the precedent method is not applicable. The types of costs included in the customs value for each method is set out in the Law on Customs Tariff.

As per Moldovan Law on Customs Tariff, the following customs duty may be applied on goods:

- *Ad valorem* (percentage of customs value);
- Specific (charge per unit of product);
- Combination of the two.

The ad valorem customs duty has the widest application. The Customs Tariff applies rates of 0%, 4%, 5%, 5.5%, 6.5%, 7%, 8%, 10%, 11%, 12%, 12.5%, 15%, 20%, 25% and 30%. The 25% rate is applied only in one instance, on HS2005 40 (peas), while the 30% rate is only levied on HS1701 (cane or beet sugar and sucrose, chemically pure, in solid form).

Specific customs duties are levied on the following goods:

- Beer from malt (HS2203 00)– 0.25Euro per 1 liter;
- Wines from fresh grapes – still, sparkling, dessert, fortified or must with prevented or arrested fermentation (HS2204); vermouths or wines of fresh grapes, flavored with plants or aromatic substances, in containers holding 2 liters or less (HS2205); alcohol, ethyl, undenatured, alcoholic strength 80% vol or higher; other spirits, denatured, of any strength (HS2207) – 0.5 Euro per 1 liter;
- Other fermented beverages, e.g. ciders or other mixtures (HS2206 00) – 0.24 euro per liter;
- Ethyl alcohol, undenatured, alcoholic strength less than 80% vol; alcoholic spirits, distilled, blended with fruit juice or flavorings (HS2207 00) – 0.5 Euro per absolute alcohol liter;
- Cigars, cigarettes and cigarillos (HS2402) – 3 euro per 1,000 pieces.

Combination of the two are levied on the following:

- Beef, fresh or chilled (HS0201); pork (swine) carcasses and half-carcasses, fresh or chilled (HS020311); pork shoulders, hams and cuts thereof, bone in, fresh or chilled

- (HS020312); other fresh or chilled pork (HS020319); pork carcasses and half-carcasses, frozen (HS020321); pork shoulders, hams and cuts thereof, bone in, frozen, not prepared or cooked; other frozen pork (HS20329) – 20%+ 200 Euro per ton;
- Beef, frozen (HS202) – 20%+ 150 Euro per ton;
  - Sheep and goat meats, fresh or chilled (HS0204) – 10% + 100 Euro per ton;
  - Whole chickens, fresh or chilled (HS20711); chicken cuts and offal, fresh or chilled (HS20713); whole turkeys, fresh or chilled (HS20724); frozen whole turkeys (HS20725); turkey cuts and offal, fresh or chilled (HS20726); turkey cuts and offal, frozen (HS20727); geese, ducks and guinea fowls, fresh or chilled (HS20732); whole geese, ducks and guinea fowls, frozen (HS20733); goose, duck or guinea fowl fatty livers, fresh or chilled (HS20734); ducks, geese or guinea fowl cuts and offal, fresh or chilled (HS20735); ducks, geese or guinea fowl cuts and offal, frozen (HS20736) – 20% + 100 Euro per ton;
  - Whole chickens, frozen (HS020712); chicken cuts and offal, frozen (HS20714) – 15% + 100 Euro per ton.

The law also provides for so-called exceptional customs duties, which include:

- Special duty (safeguard duty), established to protect domestic goods from the importation of foreign goods in quantities and conditions that may cause material harm to local producers;
- Antidumping duty, charged on goods priced lower than in the exporting country if domestic producers of similar or identical goods are harmed or there are reasons to believe that this may cause material damage to domestic producers or obstacles are thus created in the organization or extension of the production of similar or identical goods;
- Countervailing duty, charged on goods that during production or export enjoyed directly or indirectly subventions if domestic producers of similar or identical goods are harmed or there are reasons to believe that this may cause material damage to domestic producers or obstacles are thus created in the organization or extension of the production of similar or identical goods.

On August 1, 2003, the Moldovan Parliament set a special duty of 40%, but no less than 100 Euros per ton on imported sugar (HS1701) as a safeguard measure for six months. In early 2004, the Parliament extended the period of application of the special duty to February 15, 2008. The duty is levied on all sugar imports irrespective of the country of origin, in addition to the regular import duty of 30%. In 2004, the special sugar duty was set at 55%, but no less than 115 Euros per ton. The duty will be phased out in 2008 to reach 40%, but no less than 100 euros per ton.

The law also sets exemptions from the customs duty on the following:

1. Transport means used in international traffic of passengers, luggage and cargo as well as equipment and accessories, fuel and food necessary for their proper operation;
2. Goods necessary for the official use of foreigners as per Moldovan laws and international agreements;
3. National and foreign currencies (except for numismatics) and valuable papers;
4. Humanitarian aid and charity goods confirmed by corresponding documents;

5. Goods entering or leaving Moldova under customs supervision within a specified customs destination;
6. Goods in transit or placed under customs entrepot regime or whose destination is either destruction or renunciation;
7. Goods for personal use in amounts established by the law;
8. Domestic goods previously exported and then reintroduced, within three years, in the same condition; and compensatory products after passive processing as per customs regulations;
9. Periodicals and publications related to education, science and culture as well as manuals for educational and medical institutions;
10. Goods imported for duty free shops;
11. Goods imported into the free zones from Moldova or from outside Moldova or from other free zones; goods exported outside Moldova or to other free zones; goods originating in a free economic zones introduced into Moldova;
12. Goods placed under active processing, except excisable goods, fresh or frozen meats and cuts (HS0201, HS0202, HS0203, HS0204, HS0206, HS0105, HS0207, HS0209 00, HS1502 00), milk and cream (HS0402), potato starch (HS1108 13 000), raw cane sugar (HS1701 11); the customs payments are reimbursed within 10 days as per customs regulations;
13. Goods imported for project implementation on credits and grants given to the Government by international organizations or on state-guaranteed loans; as well as on government grants to some organizations; the government approves the list of organizations and projects enjoying such exemptions;
14. Equipment and awards received as donation by the National Olympic Committee and specialized sports federations from the International Olympic Committee and European and international specialized sports federations on condition that such equipment and awards will not be sold;
15. Excise stamps imported for marking excisable goods;
16. Material assets worth more than MDL 3,000 per unit and whose service term is more than 1 year included in the charter capital of a company as per government-approved regulations;
17. Technological equipment, current assets and installations imported by scientific and innovational organizations officially accredited as per Parliament-voted annual limited;
18. Goods imported for capital investment under the investment agreement on Giurgiulesti International Free Port;
19. Oil products imported under the investment agreement on Giurgiulesti International Free Port;
20. Goods imported by legal entities for non-commercial purpose and whose value is less than 50 Euro;
21. Mobile goods with a value greater than MDL 3,000 and whose service term is more than 1 year, imported by leasing enterprises to honor their commitments resulting from their leasing contracts with customers.

**b) Excise Tax**

The basis for calculation of the excise tax is the natural volume, value of goods without VAT and excises or customs value of goods. Excise taxes apply on domestic and imported goods as per the Moldovan Tax Code. The excise tax is set as 1) absolute value per unit of product or 2) *ad valorem* rate (calculated from the customs value plus any other taxes and fees payable, except for VAT). The excise tax is payable at the moment of settlement of all customs payments, which is usually before the customs declaration is submitted.

Excisable goods and their rates include, listing just a few:

- Coffee (HS0991) – 10%;
- Red caviar (HS160430901) – 20%;
- Black caviar and substitutes (HSD160430) – 25%;
- Beer from malt (HS220300) – MDL 1.2 per liter;
- Sparkling wines (HS220401) - 10%, but no less than MDL 2.50;
- Wines other than sparkling in containers of 2 liters or less (HS220421) containing 13% alcohol or less – 10%, but no less than MDL 1.25 per liter;
- Wines other than sparkling in containers of 2 liters or less (HS220421) containing over 13% alcohol – 10%, but no less than MDL 1.5 per liter;
- Wines other than sparkling in containers of 2 liters or less (HS220429) containing 13% alcohol or less – 5%, but no less than MDL 0.25 per liter;
- Wines other than sparkling in containers of 2 liters or less (HS220429) containing over 13% alcohol – 5%, but no less than MDL 0.3 per liter;
- Alcohol (HS220710, HS220720)- MDL 0.09 per alcohol degree per liter;
- Tobacco items, ranging from MDL 4.4 per 1,000 pieces to MDL 1,460 per 1,000 pieces;
- Fuels – MDL 500 per ton and MDL 1,200 per ton;
- Cars, depending on engine volume ranges from 0.3 euros to 1.6 euros per cubic centimeter; time of service adds to the excise tax (3-5 years adds 0.02 euros per c.c., 5-7 years 0.03 euros per c.c.);
- Perfumes, 10%
- Fur clothes, 25%
- Electronic appliances, ranges from 15% of value to 30 euros per unit.

Excisable goods such as alcoholic beverages, wines, brandies and tobacco items have to be marked with Moldovan excise stamps before the actual importation of goods. The State Tax Service regulates the purchase and use of excise stamps. Certain excisable products are exempt from obligatory marking with excise stamps, e.g. wines and brandy in souvenir bottles, goods placed under the customs regime of transit, customs warehouse, temporary admission and duty free shop as well as goods produced for export.

The excise tax is not imposed on the following:

- Individuals importing goods for personal use within legal limits;
- Humanitarian aid and technical assistance projects;
- Goods and services for the official use of diplomatic missions accredited in Moldova as well as goods for the personal use of members of the diplomatic missions and their families on reciprocity basis, as established by the government;
- Exported goods;

- Goods imported on credits and grants given to the Government by international organizations, including for the implementation of corresponding projects;
- Goods placed in duty free stores, transformation under customs supervision, temporary admission, re-import, passive processing, transit, customs entrepot, free zone, annihilation and renunciation in favor of the state as well as duty free store, except for imported filter cigarettes;
- Goods imported by legal entities with a value less than 50 euros

Excisable goods may be declared only at the following customs border points: Leuseni, in the West, at the border with Romania, which clears excisable goods coming from Romanian ports (mainly Constanta and Galati); Ungheni, which clears excisable goods carried by railway; Ocnita, in the North, at the border with Ukraine, which clears excisable goods from central Europe and ports of Northern and Western Europe; and Palanca, in the South, at the border with Ukraine, which clears excisable goods coming from the Ukrainian ports (mainly Odessa and Ilyechevsk). Another customs point where excisable goods carried by air must be declared is the Chisinau International Airport. Other points through which excisable goods can cross the Moldovan border are Sculeni and Cahul.

### **c) Value Added Tax**

Aside from the general application of the value added tax (VAT) on locally produced goods as per the Tax Code, individuals and legal entities that import goods and services also pay the VAT. The tax is paid either before or at the moment when goods are declared at the customs office. Individuals who import goods of personal use, the value of which is greater than the established minimum requirement, pay the VAT at the moment of customs control and only on the difference between the minimum requirement and the actual value. The taxable value of imported goods includes the customs value plus all payable taxes, except VAT.

The standard value added tax rate is 20%. Reduced rates are applied on the following goods:

- bread and baking products; milk and dairy products – 8%;
- medicines – 8%;
- natural and liquefied gases – 5%.

Some goods are charged a 0% tax rate. These goods are:

- exported goods and services and international transportation of passengers and goods;
- electricity, heating and hot water, the final consumers of which are the population;
- goods and services for the official use of diplomatic missions accredited in Moldova as well as goods for the personal use of members of the diplomatic missions and their families on reciprocity basis, as established by the government;
- goods and services used by the technical assistance projects implemented by international organizations and donor countries under the international treaties to which Moldova is a party;
- construction of housing using mortgage schemes;
- goods and services delivered to the free zones from outside or within Moldova; delivered from the zone outside Moldova; delivered among the residents of other free zones on the territory of Moldova;

- services rendered by government-approved light industry companies under active processing contracts;
- goods delivered to duty-free stores.

The Tax Code contains an extensive list of exemptions. To name a few:

- baby food and non-food merchandise;
- fixed assets worth more than MDL 3,000 per unit with a service term of no less than 1 year, contributed to the share capital of the company;
- machinery, equipment and parts – most of them related to agriculture – as listed in the annex to Title III of the Moldovan Tax Code;
- vehicles (HS870321, HS870322, HS870323, HS870324, HS870331, HS870332, HS870333);
- goods imported on credits and grants given to the Government by international organizations, including for the implementation of corresponding projects; as well as on government grants to some organizations; the government approves the list of organizations and projects enjoying such exemptions;
- equipment and awards received as donation by the National Olympic Committee and specialized sports federations from the International Olympic Committee and European and international specialized sports federations on condition that such equipment and awards will not be sold;
- periodicals and books;
- goods placed under the customs regimes of transit, customs entrepot, transformation under customs supervision, temporary admission, annihilation, renunciation in favor of the state, reimported domestic goods within 3 years after exportation and compensatory goods under passive processing;
- goods placed under active processing, except excisable goods, fresh or frozen meats and cuts (HS0201, HS0202, HS0203, HS0204, HS0206, HS0105, HS0207, HS0209 00, HS1502 00), milk and cream (HS0402), potato starch (HS1108 13 000), raw cane sugar (HS1701 11); the VAT is reimbursed within 30 days as per customs regulations;
- humanitarian aid and assistance during emergencies or other exceptional situations;
- goods and services imported for stores serving exclusively diplomatic stores;
- goods worth no more than 50 euros, imported by legal entities for non-commercial purposes.

A taxable person who paid VAT on deliveries of goods or services charged at 0% tax rate may claim a refund. The actual refund is effected within 45 days as per governmental rules.

#### **d) Customs Processing Fee**

The customs processing fee is levied during the customs clearance of goods and vehicles. The customs applies the following fees:

1. Customs clearance of goods placed under regimes of import, passive processing, transformation under customs control and duty-free store:
  - Valued between 100 and 1,000 euros – 4 euros;

- Valued above 1,000 euros – 0.4% of the customs value, but not more than 1,800 euros;
2. Customs clearance of goods placed under temporary admission or temporary export subject to re-export/re-import:
    - each customs declaration – 30 euros;
    - each additional leaf to the customs declaration – 15 euros;
  3. Customs clearance of goods placed under export or re-export, except those mentioned at point 6 – 0.1% of the customs value, but not more than 500 euros;
  4. Customs clearance of goods placed under active processing with a customs value of:
    - 100 euros to 1,000 euros – 4 euros;
    - over 1,000 euros – 0.1% of the customs value, but not more than 100 euros;
  5. Customs clearance of goods placed under passive processing when goods are taken out for repairs on condition of compulsory reintroduction thereafter - 0.1% of the customs value, but not more than 500 euros;
  6. Customs clearance of goods under export, re-export, as well as at reintroduction of goods previously placed under active processing, transformation under customs control or passive processing – 0.15% of the cost of services, but not more than 100 euros; in the event of no services being rendered - 10 euros;
  7. Customs clearance of goods placed in customs entrepot, free economic zone or subject to destruction - 0.1% of the customs value, but not more than 400 euros;
  8. Issuance of document for registration of transport means, car body or engine entered on the territory of Moldova (even if temporary) and subject to registration with the Ministry of Information Development – 7 euros;
  9. Storage of goods in warehouses run by customs organs, per day per kg:
    - first 30 calendar days – 0.01 euros;
    - subsequent 30 calendar days – 0.02;
    - subsequent calendar days – 0.05;
  10. Application of customs seal – 4 euros per seal;
  11. Presentation, on request, of statistics on foreign trade effected by a business for a period of up to one year, except public authorities – 5 euros;
  12. Issuance of authorizations (per each contract) for:
    - active processing, except as mentioned in point 15 – 10 euros;
    - passive processing – 40 euros;
    - transformation under customs control – 100 euros;
  13. Issuance of customs entrepot authorization – 400 euros;
  14. Authorization of temporary admission, except for goods presented during shows and exhibitions, artistic or sporting events – 40 euros;
  15. Authorization for active processing of goods entered on the customs territory of Moldova from the free economic zones of Moldova, per each customs declaration – 200 euros;
  16. 2-year authorization for customs brokers – 200 euros;
  17. 2-year qualification certificate for customs specialist – 100 euros;
  18. Data processing of primary customs declaration – 4 euros;
  19. Data processing of each complementary customs declaration – 5 euros;
  20. Duplication of qualification certificate of the customs specialist or the customs broker's authorization – 5 euros;
  21. Issuance of the certificate of origin – 6 euros.

Exempted from the customs processing fee are:

1. Goods imported on credits and grants given to the Government by international organizations, including for the implementation of corresponding projects; as well as on government grants to some organizations; the government approves the list of organizations and projects enjoying such exemptions;
2. Equipment and medals received by the National Olympic Committee and specialized sports federations from the International Olympic Committee and European and International specialized sports federations on condition that such equipment and medals will not be sold;
3. Goods for personal use in amounts established by the law;
4. Humanitarian aid;
5. Oil products and other goods transited through the Giurgiulest Free International Port and then taken out of the port on condition that the processing fee was paid upon introduction into the port.

### ***Prohibited or Restricted Imports***

There is no single list of prohibited or restricted imports. Any limitations and restrictions are regulated by separate laws or governmental decisions. Importers have to check first with Moldovan customs on any existing limitations or restrictions.

The Customs Code notes that Moldovan legislation can prohibit certain goods or transport means from being introduced or extracted from Moldovan territory for reasons of state security, assurance of public and moral order, environmental protection, protection of art objects, protection of objects of historical or archeological value, protection of intellectual property rights, protection of domestic market and protection of other public interests. The only express prohibition provided for by the Customs Code is the introduction and/or placement under import, customs entrepot, temporary admission and free economic zone of transport means, motors and car bodies older than 10 years; tractors grouped under HS8701 older than 12 years; transport means grouped under HS8703 and vehicles for a maximum of 20 passengers under HS8702, as well as their engines and car bodies older than 7 years. However, there are exceptions in the case of temporary admissions by foreign residents, diplomatic missions or international organizations.

### ***Membership in Free Trade Agreements***

Moldova has signed free trade agreements with Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russia, Turkmenistan, Ukraine and Uzbekistan.

In 2006, Moldova joined the Central European Free Trade Agreement (CEFTA) after completing free trade agreements within the Stability Pact for Southeastern Europe. CEFTA members currently include Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Moldova, Serbia and Montenegro.

Moldova also signed agreements on mutual promotion and protection of investments with 36 countries: Albania, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, China, Croatia, the Czech Republic, Finland, France, Georgia, Germany, Greece, Hungary, Israel, Italy, Kuwait, Kyrgyzstan, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Romania, Russia, Slovenia, Spain, Switzerland, Tajikistan, Tunisia, Turkey, the U.K., Ukraine, the U.S. and Uzbekistan.

### ***Applicable Legislation***

The following main legislation governs the customs clearance process: the Customs Code, the Law on Customs Tariff, the Law on application of the customs tariff, the Law on Tax Code and other laws and bylaws dealing with customs issues and certification.

### **POINT OF CONTACT**

Natalia Calenic, Head of Customs Broker Unit  
Moldovan Chamber of Commerce and Industry  
Str. Maria Cebotari 8, Chisinau MD2004, Moldova  
Tel. (373 22) 21 27 18  
Fax (373 22) 23 81 41  
[moldpro@chamber.md](mailto:moldpro@chamber.md)  
[www.chamber.md](http://www.chamber.md)

Summary Table of Customs Destinations and Applicable Customs Payments

Customs Destination	Customs payments				
	Customs Tariff Duty	VAT	Excise Tax	Customs Fees	
				Processing	Authorization
<b>Import</b>	applicable	applicable	Applicable	Goods with a customs value of - €100 to €1,000 – <b>€4</b> - greater than €1,000 – <b>0.4%</b> but not more than <b>€1,800</b>	not applicable
<b>Export</b>	Not applicable	<b>0% rate</b>	not applicable	<b>0.1%</b> but not more than <b>€500</b>	not applicable
		refund allowed			
<b>Re-export</b>	not applicable	not applicable	not applicable	<b>0.1%</b> but not more than <b>€500</b>	not applicable
		VAT refunded	excise refunded		
<b>Transit</b>	Not applicable	not applicable	not applicable	not applicable	not applicable
<b>Temporary Admission</b>	Full exemption	not applicable	Temporary Admission is not applicable for excisable goods	For periods up to 2 months for goods meant for exhibitions, fairs, cultural and sport events - <b>0.05 %</b> but not greater than <b>€ 400</b>	<b>€ 40</b> Except for the goods meant for exhibitions, fairs, cultural and sport events
	partial exemption - <b>5%</b> monthly			For periods greater than 2 months, for all goods with customs value: - from €100 up to €1,000– <b>€ 4</b> - over € 1,000 – <b>0.4%</b> but not more than <b>€1,800</b> on reimport accordingly	
<b>Temporary export</b>	Not applicable	not applicable	not applicable	For periods up to 2 months for goods meant for exhibitions, fairs, cultural and sport events - <b>0.05 %</b> but not more than <b>€ 400</b>  For periods greater than 2 months, for all goods with customs value: - from € 100 up to € 1,000– <b>€ 4</b> - over € 1000 – <b>0.4%</b> but not more than <b>€ 1,800</b>	not applicable

Customs Destination	Customs payments				
	Customs Tariff Duty	VAT	Excise Tax	Customs Fees	
				Processing	Authorization
				on reimport accordingly	
Customs Entrepot	Not applicable	not applicable	Not applicable for excisable goods	<b>0.1%</b> but not more than <b>€ 400</b> Goods storage in customs entrepot per kg each calendar day - - for the first 30 days – <b>€0.01</b> - - for the next 30 days – <b>€0.02</b> - - for the next days – <b>€0.05</b>	<b>€ 400</b>
Active Processing	not applicable in suspensive regime	not applicable in suspensive regime	Excisable goods cannot be placed under suspensive system	Goods with customs value - from €100 to €1,000 – <b>€4</b> - over €1,000 – <b>0.1%</b> but not more than <b>€100</b>	<b>€10</b> per contract  For goods imported from free zones <b>€200</b> per customs declaration
	refunded on re-export in the drawback system	refunded on re-export in the drawback system		on reexport - <b>0.15 %</b> of the cost of rendered services, but not more than <b>€100</b>	
Processing under Customs Supervision	not applicable	Not applicable	not applicable	goods with customs value from €100 up to €1,000 – <b>€4</b> over €1000 – <b>0.4%</b> but not more than <b>€1,800</b>	<b>€10</b> per contract
				on reexport - <b>0.15 %</b> of the rendered services cost but not more than <b>100 €</b>	
Passive Processing	not applicable	applicable on re-import of compensatory goods	applicable on re-import of compensatory goods	goods with customs value from €100 up to €1,000 – <b>€4</b> over € 1,000 – <b>0.4%</b> but not more than <b>€1,800</b> in cases of export for repairs – <b>0.1 %</b> , but not more than <b>€500</b>	<b>€10</b> per contract
		not applicable on re-import of domestic goods	not applicable on re-import of domestic goods	on reimport - <b>0.15 %</b> of the rendered services cost but not more than <b>€100</b>	



### III. PORTS OF ENTRY

Virtually all goods and vehicles crossing Moldova's customs border have to undergo customs control. Vehicles also undergo the control of the so-called "state border control services," such as the Veterinary Service, Phitosanitary Service, Auto Transport Inspectorate, Ecological Inspectorate and Sanitary-Epidemiological Service, in the customs control zone at the ports of entry. The entry of a vehicle in the customs control zone is done with the permission of the border troops and customs.

At a port of entry, state border control services perform the following activities:

- border control;
- customs control;
- control of documents related to the transport means and commercial papers;
- joint external control by the state border control services and border troops for the subsequent decision to break the seals and inspect goods and transport means;
- confrontation of data in the documents with the actual quantity, type, etc. of goods;
- evaluation and settlement of customs payments;
- processing of customs papers and registration of goods and vehicle in special registries;
- sealing of the vehicle by the customs organs and handing of documents;
- verification by the border troops of the documents related to the transport means and individuals through specialized information systems to trace any stolen vehicles or wanted individuals;
- release of the individuals and vehicles from the customs control zone by the border troops and customs organs based on a uniform cash receipt.

The activities performed at ports of entry by the state border control services will depend on mode of transport and object of carriage (goods or passengers).

Lists of relevant customs bodies and customs brokers are given below.

Moldovan Customs Service  
Strada Columna 65  
Chisinau MD 2001, Moldova  
Tel. (373 22) 27 57 35  
Fax (373 22) 27 30 61  
e-mail: [dv@customs.md](mailto:dv@customs.md)  
[www.customs.md](http://www.customs.md)  
Director General: Feodosia Furculita

#### ***Major International Ports of Entry***

Moldovan-Romanian border:  
Giurgiulesti, carriage by road and railway  
Cahul-Oancea, carriage by road and railway

Leuseni-Albita, carriage by road and railway  
Ungheni, carriage by railway; processes excisable goods  
Sculeni, carriage by road  
Costesti, carriage by road

Moldovan-Ukrainian border:

Criva-Mamaliga, carriage by road  
Rososeni, carriage by road  
Otaci, carriage by road and railway; processes excisable goods  
Soroca, carriage by road and ferryboat  
Palanca, carriage by road; processes excisable goods  
Giurgiulesti, carriage by road and railway

International airports:

Chisinau International Airport  
Cahul Airport – seasonal activity; closed down most of the year  
Balti Airport – seasonal activity; closed down most of the year

### ***Regional Customs Offices***

Balti Customs Office

Strada Pacii 38

Balti MD3100, Moldova

Tel : (373 231) 2 31 17

Fax : (373 231) 27380

The customs office services Balti, Sangerei, Falesti, Glodeni and Rascani.

Bender Customs Office

Strada Mesterul Stanciu 2

Causeni MD 4300, Moldova

Tel. (373 243) 2 13 86/2 27 42/ 2 34 51

Fax (373 243) 2 38 95

The customs office services Transnistria, Stefan Voda, Palanca, Tudora and Saiti.

Briceni Customs Office

Strada Prieteniei 5

Briceni MD 4700, Moldova

Tel. (373 247) 2 29 06/2 48 90

Fax (373 247) 2 48 90

The customs office services Briceni, Edinet, Larga, Criva, Free Enterprise Zone Otaci and Rososeni.

Cahul Customs Office

Cahul MD 3900, Moldova

Tel. (373 299) 2 36 67/ 2 67 85/ 2 89 42

Fax (373 299) 2 89 42

The customs office services Cantemir, Taraclia, Leova, Comrat, Free Enterprise Zone Valcanes, Free Enterprise Zone Tvardita and Cahul.

**Chisinau Customs Office**

Blvd. Dacia 49/6

Chisinau MD 2062, Moldova

Tel. (373 22) 53 44 79

Fax (373 22) 53 98 98

The office services Chisinau.

**Center Customs Office**

Bul. Ghiocilor 1, Chisinau, Moldova

Tel./Fax (373 22) 71 66 55

The office services Expo-Business-Chisinau Free Zone, Ialoveni, Orhei and Vadul-lui-Voda.

**Leuseni Customs Office**

Leuseni, Hancesti MD3432, Moldova

Tel. (373 269) 4 62 23/ 4 62 97

Fax (373 269) 4 62 30/ 4 62 54

The office services Hancesti, Nisporeni and Leuseni.

**Ungheni Customs Office**

Railway Station, Ungheni MD 3600, Moldova

Tel. (373 236) 2 30 58

Fax (373 236) 2 35 70

The office services Ungheni, Free Enterprise Zone Ungheni and Calarasi

***Customs Brokers***

In 2006, Moldova finally moved from the system of customs declarants to customs brokers and specialists. The previous institution of customs declarant represented companies that had a specialist (declarant) on their staff who was certified by Customs to fill out customs declarations. The new rules set higher requirements and responsibilities for companies acting as intermediaries between businesses and customs during customs processing. The new institution benefits both Customs Service, which has fewer people to interact with during customs processing, and businesses, for which it is simpler, more efficient and cost-effective to outsource the labor-intensive customs clearance procedure to professionals. A fully-fledged customs broker must be authorized by the Customs Service and have at least one customs specialist on staff who is certified by the Customs Service. Customs brokers conduct, on behalf and at the expense of businesses, the presentation and declaration of goods and transport means during customs clearance, settlement of customs payments and other customs mediation services. Brokers are now required by law to keep a warehouse for temporary storage of goods and insure settlement of customs payments before the release of goods. Such insurance is secured through a 10,000-Euro bond set up at each customs post where the broker wishes to

perform its activity. Brokers may also act as guarantors of payment of any customs obligations. Under the Customs Code, the broker and the principal bear sole responsibility for customs obligations, meaning that unless the company settles customs payments, Customs will claim settlement from the broker. Should the broker fail to settle any payments within five days, Customs will cancel the brokerage authorization.

The Customs Service keeps a registry of authorized customs brokers that can be found online at: <http://www.customs.md/acte/index.php?nivel=2&poz=5&lang=ro>.

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

Natalia Calenic, Head of Customs Broker Unit  
Moldovan Chamber of Commerce and Industry  
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Tel. (373 22) 21 27 18  
Fax (373 22) 23 81 41  
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[www.chamber.md](http://www.chamber.md)