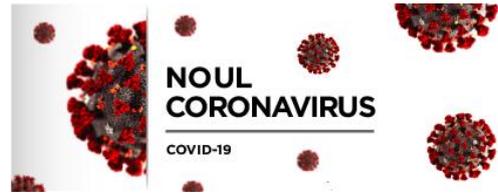


State of Emergency II – the evolution of the socio-economic restrictions

On 8 April 2021, the Commission for Exceptional Situations („CES”) issued a new [Disposition](#), which reviews some previously approved restrictive measures and introduces new measures, aimed to support the citizens and business environment of the Republic of Moldova, as follows:



I. Employment regime and unemployment insurance

- (i) During the state of emergency, by derogation from Article 20 sect. (4) of the Law no.105/2018 on the promotion of employment and unemployment insurance („Law 105/2018”), the territorial subdivisions for employment of the National Agency for Employment take decisions regarding the following:
 - a. scheduling monthly visits to the territorial subdivisions where the person is registered as unemployed, in order to receive the support for employment;
 - b. participation of the unemployed persons in interviews with employers regarding the employment prospects, organized by the territorial subdivision for employment or on their own initiative;
 - c. participation in active employment measures.
 - ✓ **So, the National Agency for Employment does not take decisions when the registered person with unemployment status: (i) is obliged to accept the suitable job and/or (ii) to inform the territorial subdivision where the unemployed is registered about any change of the conditions that determined the granting of the unemployed status, within 3 working days from the occurrence of the change. These obligations remain in the charge of the unemployed by virtue of the law (Article 20 sect. (4) let. d)-e) Law 105/2018).**
- (ii) The territorial subdivisions for employment are allowed to register persons who do not meet the conditions to receive unemployment status, according to Law 105/2018, but who lost their job during the state of emergency, regarding the pandemic situation (confirmed by a certificate of the employer they work for) and establishing for these persons, by the day of submitting the request, the unemployment benefit in the amount of MDL 1054 per month, if the following conditions are met:
 - a. they are not officially employed, based on the individual employment contract or the service contract;
 - b. they do not hold an individual entrepreneur’s patent;
 - c. they are not founders, associates or administrators of a for-profit legal entity or they are not individual entrepreneurs;
 - d. they do not earn income at the moment of issuing the decision to establish unemployment benefits;
 - e. they are not students at one of the educational institutions, with frequency;
 - f. they do not have the status of pensioner.
 - ✓ **So, the unemployment benefits may also be granted to students at one of the part-time educational institutions, members of the non-profit legal entity (public association, foundation, private institution), founders, associates or administrators of a for-profit legal entity or individual entrepreneurs in the process of insolvency, liquidation, inactive or which does not generate income in the last 12 months prior to the date of registration, but also to those who meet the general conditions provided by law on the status of unemployed according to Article 20 on Law 105/2018, inclusive, they are aged between 16 and the age set for obtaining the right to an old-age pension or another category of pension; they are fit for work; they do not have a job; they do not study in a educational institution, with frequency; they actively seeks employment both individually or through territorial subdivision; they are registered as unemployed in the territorial subdivision.**
- (iii) The compliance of the requesters under the conditions stipulated in the let. a), b), c) is confirmed by the territorial subdivisions for employment, based on interconnections with the information

systems of other institutions and the compliance of the requesters under the conditions stipulated in the let. d), e), f) is confirmed by them by a statement on their own responsibility.

- (iv) Unemployment benefits for the persons referred to in subparagraph (ii) shall be granted within the limits of the available financial means, and if those expenses exceed the limits of the available financial means, it shall be proposed and approved upon the rectification of the State Budget Law for the 2021 year.

II. Interest subsidy regime

- (i) The period of implementation of the interest subsidy program is extended to January until May 2021, inclusive, under the following conditions:
- a. The beneficiaries of the interest subsidy program are undertakings which cumulatively meet the following conditions:
 - have contracted/are contracting loans between 1 May 2020 – 31 May 2021, inclusive;
 - the declared income in the tax reports, ascertained according to the tax accounting data for the tax period of 2020 year are lower than those obtained and declared for the tax period of 2019 year.
 - b. The payment of the subsidy shall be made for interest paid up to 31 May 2021, inclusive.
✓ **As we stated in the [previous publication \(pag.8\)](#), the subsidy program was implemented by the Law on the establishment of measures to support entrepreneurial activity and the amendment of some normative acts no.60/2020. Under this program, the state has assumed the obligation to reimburse to the debtors the interest on the loan paid to the creditors.**

III. The VAT reimbursement regime

- (i) The period of implementation of the VAT reimbursement program is extended to January until May 2021, inclusive, under the following conditions:
- a. The amount of the VAT refund will be the minimum amount of the following amounts:
 - The amount of VAT for deduction in the subsequent period, registered for the last tax period;
 - The amount of income tax paid, compulsory state social insurance contributions due by the employer, compulsory health insurance premiums in the form of a percentage contribution due by the employee for the tax period between January – May 2021, inclusive.
 - b. The cumulative amount of the subsidy during the VAT reimbursement program will not exceed the amount of VAT for the subsequent period, reflected in the VAT return for the December 2020 tax period.
✓ **So, the provisions of Article I Chapter II of Law 60/2020 on the establishment of measures to support entrepreneurial activity and the amendment of some normative acts remain applicable, insofar as they do not contradict the Disposition no.2 (that is, term, amount of VAT reimbursement), except for the affected agricultural producers, for which the provisions of Law 60/2020 stay in force. For more details, you can find the previous publication on this topic [here](#) (pag.15).**

IV. The compulsory health insurance premium and social insurance regime

- (i) The undertakings, subject to taxation, are entitled to an extension of the time limit for filling tax returns and the time limit for settling tax obligations for the payment taxes, duties and other compulsory payments in accordance with those tax returns, in case if the manager of the undertaking (the representative) and/or another responsible person, by virtue of work duties, is obliged to submit tax reports and to extinguish the tax obligation in the manner and within the terms established by the law in force, is on medical leave regarding the treatment of the COVID-19 virus, at the deadline for submitting tax reports and paying the tax obligation to the budget.
- (ii) The exercise of this right is carried out based on the request submitted to the State Tax Service. The copy of the medical certificate and the confirmation of the family doctor, according to which the

person has benefited of medical leave because of the treatment of COVID-19 virus, are attached to the request.

- (iii) The modified term shall represent the indicated date of the request submitted by the taxpayer to the State Tax Service and will not exceed: :
- a. the date of 25 April – for the periods whose declaration and/or payment term occurred until the date of issuance of Disposition no.2;
 - b. the date of the 25th of the month following the month in which the deadline for payment and submission of the suitable tax reports occurred.
Within that period, the reports are due to be presented and the payment of taxes, fees and other obligatory payments to the budget shall be made.
- (iv) The provisions are applicable to the tax periods whose deadline for submitting tax reports and paying the tax obligation occurs between 1 January – 31 May 2021.
- ✓ **So, if the manager of the undertakings (the representative) and/or another responsible person is on medical leave because of the treatment of COVID-19 virus and, therefore, anticipates the impossibility of presenting tax report even under the extended terms, it is advisable to delegate the responsibility to another person, thus, avoiding sanctions of the tax authority.**

V. The real estate tax regime

- (i) In case of real estate, including land of natural persons, who do not engage in entrepreneurial activity, as well as unevaluated land of peasant (farmer) households, the deadline for payment of real estate tax/land tax until the 30 June of the current year affects the objects of taxation existing and/or acquired by the respective categories of taxpayers until March 31 inclusive, of the current year, and the term of payment until 25 March of the year following the management year – on the goods acquired after 31 March of the current year;
- (ii) Notices of the payment of the real estate tax/land tax that have to be sent to each subject of taxation by the services of collection of local taxes and fees of town halls no later than 15 June of the current year shall contain the information on calculated tax obligations for the objects of taxation existing and/or acquired by the respective categories of taxpayers until 31 March, inclusive, of the current year.
- ✓ **Pursuant to the Law,**
- **In the case of real estate of the natural persons who do not carry out existing entrepreneurial activity and/or acquired until 31 May inclusive, of the current tax year, the real estate tax is paid by the subjects of taxation to local budgets, according to the location of the tax objects, no later than 30 June of the current year;**
 - **In the case of real estate of the natural persons who do not carry out existing entrepreneurial activity and/or acquired after 31 May inclusive, of the current tax year, the real estate tax is paid by the subjects of taxation to local budgets, according to the location of the tax objects, no later than 25 March of the year following the year of management.**

VI. Other restrictions with social impact:

- (i) The following may be resumed:
- a. The trainings for the preparation of participating in international tournaments of athletes, members of national teams, in mandatory compliance with all measures to prevent and control COVID-19 infection;
 - b. Outdoor sports competitions, without spectators, carried out by national sports federations accredited by the Ministry of Education, Culture and Research, in compliance with public health measures and Instructions approved by the Ministry of Education, Culture and Research.
- ✓ **So, the trainings can be performed both in open and closed spaces, and sport competitions – only in open spaces, in compliance with the prevention measures of COVID – 19 infection.**

- (ii) It is allowed to organize internships in technical and higher educational institutions for pupils/students in graduate groups.
- ✓ **So, the organization of internships is allowed with physical presence, in the workshops, laboratories and households of the technical educational institution, in enterprises, institutions and other organizations interested in functioning as a practice base, including creative ones, as well as institutions, organizations, companies, societies and other structures to which the higher educational institution has concluded collaboration agreements. The basic requirement is that the pupils and students shall be graduates of these educational institutions, excepting the following: preschool educational institutions (kindergarten, community center), primary educational institutions (primary school), secondary educational institutions (gymnasium school, high school), special educational institutions (auxiliary school, special institutions).**
- (iii) During the state of emergency, it is not implemented the provisions regarding:
- a. Carrying out activities of community interest;
 - b. Checking at the current residence of requester/beneficiary the authenticity of the information presented in the request for social support and the correctness of the use of the social support.
- (iv) It is prohibited the staying in public spaces (forests, parks, alleys, beaches, recreational areas, playgrounds, etc.) in groups of more than 3 persons, except for family members.
- ✓ **The civil legislation does not expressly regulate the definition of „family member” and, thus, its interpretation in the context of the imposed restrictions remains debatable. However, for a first perception, the Criminal Code defines family member as follows:**
 - **in the condition of cohabitation: married persons, divorced persons, persons under guardianship, the relatives and their affinity, relatives’s spouses, persons in relationships similar to those between spouses (cohabitation) or between parents and children;**
 - **in the condition of separate living: the married persons, the divorced persons, the relatives and their affinity, the adopted children, persons under guardianship, persons who are of have been in relationships similar to those between spouses (cohabitation).**
So, in the case of family members, the interdiction on the number of persons is not extended, that means 3 or more family members are allowed to stay in public spaces.

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