

# WORLD TRADE ORGANIZATION

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**Working Party on the  
Accession of Moldova**

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## ACCESSION OF THE REPUBLIC OF MOLDOVA

### Additional Questions and Replies

The Ministry of the Economy of the Republic of Moldova has submitted the following additional questions and replies concerning the Memorandum on the Foreign Trade Regime of Moldova with the request that they be circulated to Working Party members. The information in Annex I is available in the Secretariat (Accessions Division, Office 1126) for consultation by interested members.

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## **I. INTRODUCTION**

### **Question 1.**

**We would be grateful for an update of relevant legislative developments, copies of laws and regulations on diskette and summaries of laws and regulations.**

Answer:

Together with these answers Moldova submits laws and regulations listed in Annex 1 attached hereto.

## **II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE**

### **2. Economic Policies**

#### **(a) Main directions of ongoing economic policies.**

### **Question 2.**

**Please provide an update on progress in macro-economic stabilization and macro-economic measures to deal with balance-of-payments problems.**

Answer:

The official preliminary estimates had earlier in the year placed a growth of GDP in 1998 between 3 per cent and 6 per cent. This would have been a much-needed growth, after a steady decline in real output since 1992, with the exception of 1997 with a 1.3 per cent growth rate. The Russian crisis has had a strong negative impact on the economy, although by no means being the exclusive reason behind the deteriorating economic performance. The large external debt and the worsening trade deficit, combined with poor infrastructure in key sectors and pending issue of Transnistria, historically a major industrial region, have made the prospects of returning to negative figures for GDP growth a reality now. The IMF anticipates a 3-5 per cent decline over in 1998. A more accurate measure for the GDP remains wanting, as the shadow economy claims a considerable, and possibly growing, share of economic activities. Payment in kind has also been on the increase along the economic decline and accumulated arrears in the civil service. The final consumption constitutes more than 95 per cent of the GDP, with the trade deficit growing from -33.4 per cent of the GDP in the first half of 1997 to -41.1 per cent in the first half of 1998. This is well above the average share of -5 per cent considered "critical" by the IMF. The gross fixed capital has been on constant decline too. The share of value added in GDP has dropped in 1997 compared to both 1995 and 1996. All the key sectors, namely agriculture, manufacturing industry and construction have registered decline of output in 1998 over similar period in 1997. Private agriculture is becoming increasingly important in Moldova, so is farm restructuring. The information for the first half of 1998 shows that the number of registered companies with foreign participation has been rising quite fast. Figures for the first nine months of 1998 show that the employment level dropped by 7.4 per cent compared to a year earlier. This is a further decline over the first half of 1998. Agriculture and manufacturing show a decline of 11 per cent over the same period, with wholesale and retail trade at 15.5 per cent and construction at 16.6 per cent lower than a year ago.

The monthly rates of inflation in the first eight months of 1998 were low and well down on official forecasts, and at a negative rate for March, June and July and August. By contrast, September and October registered rising inflation rates at 0.2 per cent and 1.4 per cent respectively. The newly elaborated tariffs for gas and electricity have taken effect from October, following those for heating

from November. This combined with increasing index for services will no doubt have a large bearing on the overall price levels in 1998. The recent changes in the exchange rates and the growing trade deficit will mean a reduction in the earlier price stability. Starting with October 1998 the lowering of the average Leu exchange rate will bring a sharp drop in the US\$ nominal wages.

The figures for the 1998 budget proved unrealistic and called for considerable revisions. The deficit has been adjusted accordingly, although it is not clear whether this can be maintained. For the first nine months of 1998 the revenues to the Consolidated Budget were fulfilled by a less-than-proportionate 54 per cent of the whole year projection, with an even lower rate of 50.4 per cent regarding the revenues to the State Budget, as compared with 64.8 per cent and 63.1 per cent respectively for the same period of 1997. In October 1998, the Budget arrears reached MDL 950 million, some MDL 350 million higher compared with January 1998. As for the expenditure side of the budget, 52.4 per cent out of the annual approved amount has been spent in the first nine months as compared with 72.4 per cent for the same period of the previous year. Payment of salaries and public debt service have been priority expenditures in the period concerned.

The past few months have been characterised by an acute lack of funds in the banking sector followed by the massive depreciation of the Moldovan Leu and therefore a growing inflation. This situation is linked with the financial crisis in the region and current developments of the domestic financial market, especially the T-Bills market, where the level of activity by the commercial banks has dropped noticeably. During the past few months the Moldovan Leu dropped by more than 33.7 per cent against the US dollar. Due to the growing demand for US dollars from commercial banks and its failure to meet this demand in October 1998 the NBM decided to cut its dollar interventions on the local foreign exchange market and finally withdrew from this market. As a result the exchange rate is now calculated as a weighted average rate of all transactions in foreign currencies concluded by commercial banks. Between August and October 1998 the households reduced their deposits with commercial banks by MDL 110.8 million. The deposits in domestic currency decreased by MDL 125.11 million while those in foreign currency increased by MDL 14.31 million over the same period. The balance of households' deposits in domestic and foreign currency exceeded MDL 449 million in October 1998, of which deposits in MDL amounts to MDL 307.12 million. In October 1998 the legal entities' deposits registered a reduction by 5.7 per cent or MDL 25.06 million as compared with August, and 8 per cent or MDL 35.8 million less than January 1998. The considerable drop in both households and legal entities' deposits has negatively influenced the situation in the banking sector. Notably, the legal entities' deposits in domestic currency decreased by MDL 116.96 million in October 1998 as compared with August 1998 while the deposits in foreign currency increased by MDL 91.9 million over the same period. It is difficult to find any clear explanations for this situation other than expectations of further depreciation.

The government is now implementing the third privatisation programme which aims at finalising the privatisation of public property and reforming the agrarian sector, although some privatisation still continues under the two other programmes. During the first nine months of 1998, MDL 19.6 million was received from the sales of the state property for cash, as compared to a total of MDL 27.8 million for the whole of 1997. Still the rate is poor, at only 9 per cent of all offered objects having been sold. Poor interest by foreign investors is the main obstacle. Tenders for large enterprises, such as the Telecom and Tobacco still remain unresolved. Only Rezina cement factory and Farmaco have been sold to the foreign strategic investors. Seven specific auctions to sell the remaining state shares and four auctions for the arrested shares were held during the first nine months of 1998, with actual prices at around 20-30 per cent of their nominal ones. In the securities market, over the first ten months of 1998 the total volume of trade reached MDL 314.9 million, a considerable increase over 1997.

The dependence on imported goods and services has been steadily growing, from 51 per cent of the GDP in 1993 to 77 per cent in 1997. Economic stagnation that started in August 1998 and was exacerbated by the financial crisis in Russia, Ukraine and Romania was further aggravated by the deceleration of the restructuring process. Due to the inability of domestic products to cover the internal demand combined with falling exports, the growing imbalance has become one of the main features of Moldova's external trade, reaching US\$348.1 million during January-October 1998. The share of the current account deficit in the GDP soared to 28.6 per cent in the first six months of 1998 as compared to 23.6 per cent in the first half of 1997. In September and October alone exports declined by 2.1 and 1.7 times respectively, compared to a year earlier. Furthermore, compared to the August 1998, September and October figures show more significant declines of 32.9 per cent and 5.9 per cent respectively, with exports to non-CIS countries increasing slightly by 2.9 per cent in October. At the same time, the share of imports from non-CIS countries increased, particularly with regard to machinery and equipment. Trade with CIS countries has been showing a reverse pattern. The trade deficit with non-CIS countries during January – October reached US\$363.8 million compared to US\$268.8 million over the same period of 1997. There has been a new agreement between the IMF, NBM and the Moldovan Government for disbursing the US\$35 million tranche after the IMF's November mission. On 1 November 1998, the total external debt reached US\$1.3 billion. The accumulated arrears on the government's debt servicing rose to US\$68.4 million by 1 November.

### **Question 3.**

**Please provide an overview of progress in privatization. What percentage of GDP do privatized entities account for? Please list large firms that have not been privatized. Please list large firms in which the state still owns over 25 per cent.**

#### Answer:

It has been enacted a new law on Privatization Program 1997-1998 on the base of which the Privatization was extended over the objects of public property from all sectors and branches of the economy, except for those which are not subject for privatization in compliance with the Law. Generally, objects of privatization are the following:

- entire blocks of shares, majority ownership including controlling interest;
- separate blocks of shares;
- entire manufacturing complexes (small enterprises of small economic units);
- blocks of shares of unique assets;
- non-dwelling buildings;
- assets not used for production;
- land (adjacent to privatized enterprises and fruit growing partnerships);
- blocks of shares of monopolies (energy and fuel, transport and communications).

The specific aspects of privatisation of the public property are:

- shifting from the mass privatization based on patrimonial bonds to cash privatization and other privatization methods and mechanisms;

- application of new specific methods and mechanisms of privatization, including public offering, sales of state-owned shares at the Stock Exchange, direct sales, investment and commercial tenders, collateral auctions, sales of the public property objects for settlement of the State debts;
- using the experienced local and foreign companies in the complex privatization projects and restructuring of companies capable to attract strategic investors;
- evaluation of financial and environmental condition of companies, inventory and evaluation of their property in order to fix the initial selling price;
- evaluation of the environmental influence of the companies activities.

At present, in the economy of the Republic of Moldova the private sector represents 60 per cent of the industrial production, 70 per cent of services provided by the retail trade and public services sector and 44 per cent of capital construction works and transport. 50.2 per cent of the total number of industrial enterprises were privatized, including 93 per cent of processing enterprises and 82 per cent of light industry enterprises, as well as 95 per cent of the state-owned trade and public services enterprises.

Enterprises in the following industries are scheduled for total privatization: textiles and garments, electronics, machine building, chemical and furniture producing, leather goods, food-staff and package producing enterprises, as well as hotels.

List of Large Enterprises Not Yet Being Privatized

N	NAME	HEADQUARTERS
1	J.S.C. "Cojushna Winery"	Dst. Strasheni, Cojushna
2	Spirits production Factory "Aroma"	Mun. Chishinau, str. Toma Ciorba, 38
3	Wines and Cognac Factory, Baltsi	Mun. Baltsi, str. Biruintsei, 49
4	Wines and Cognac Factory, Calarashi	c. Calarashi
5	Foaming Wine Factory "Vismos"	Mun. Chishinau, str. Uzinelor, 5
6	Foaming Wine Factory "Cricova"	Mun. Chishinau, Cricova, str. Ungureanu, 1
7	Wines and Cognac Factory, Baltsi	Mun. Baltsi
8	State Enterprise "Farmavet"	Mun. Chishinau, str. Petricani, 67
9	Agricultural State Firm "Moldavschi"	c. Floreshti, str. Alexandru cel Bun, 1
10	Trade & Production Company "Apicultura"	Mun. Chishinau, str. Murelor, 5
11	Basic Enterprise "Victoria"	Mun. Chishinau, str. Tudor Vladimirescu, 3
12	Agricultural Farm "Serele Chishinaului"	Mun. Chishinau, str. Haltei, 41 "a"
13	Agricultural Farm "Flori"	Mun. Chishinau, c. Singera
14	State Enterprise "River Port"	c. Ungheni
15	State Enterprise "Termocomenergo"	Mun. Chishinau, str. Gheorghe Tudor, 5
16	J.S.C. "Termocom"	Mun. Chishinau, str. Tudor Vladimirescu, 6

Together with these answers we attach the list of large firms in which the state still owns over 25 per cent.

**Question 4.**

**Please provide update of privatization of energy.**

Answer:

The restructuring of the energy sector has been already started and a number of laws on this issue have been enacted. The Law on the Concept of privatization of enterprises from the energy sector no. 63-XIV of 25 June 1998 envisaged that distributing companies will be privatized first, followed by the generating companies. It is also planned for the debts of all generators to be written off. At the same time debts of distributors will be diminished in a way that accounts payable will be equal to accounts receivable. According to the above mentioned Concept of privatization, individual plans for the enterprises under privatization will have to be approved. Currently these plans are under elaboration.

**Question 5.**

**Please provide an update on removal of price controls for energy, bread.**

Answer:

Until 1 January 1998 the Government was setting prices for energy. Starting with this date the newly created National Energy Regulatory Agency has the right, according to the paragraph 6 of the Governmental Decision Nr. 767 of 11 August 1997, to control how prices are established, the quality of services and compliance with other conditions stipulated in the license contract.

Concerning price control for bread, this issue remained unchanged and according to the Governmental Decision Nr. 547 of 4 August 1995 paragraph 3 trade commission should be no higher than 20 per cent of the delivery price, because of social reasons.

**(b) Monetary and fiscal policies**

**Question 6.**

**The response to question 3 of WT/ACC/MOL/8 states that the 1997 Budget Law sets upper limits for new internal and external guarantees at MDL 20 million and US\$35 million, respectively. What amount of the MDL 20 million and US\$35 million are currently issued as state guarantees?**

Answer:

As a matter of clarification it should be mentioned that the amount of MDL 20 million was set (according to the Article 5 of the Budget Law 1997) as an upper limit for the difference between the issued guarantees and reimbursed amounts. (Reference to question 2 of WT/ACC/MOL/8).

Since the Budget Law is enacted every year, the limits set by the Budget Law 1997 refer only to that fiscal year. Therefore the Budget Law 1998 (Article 5) sets new provisions concerning state guarantees. It stipulates that no state guarantees for the internal loans shall be issued, except certain cases when upon Governmental request the Parliament will take decisions on case by case basis to ensure the functioning of the strategic industries or branches of the economy. The same amount of US\$35 million is foreseen as an upper limit for the state guarantees issued for external loans.

In 1997 MLD 75 million have been issued as internal guarantees and US\$9 million as external ones. In 1998 the amount of MLD 100 million has been issued as internal guarantees and the amount of US\$39 million as external guarantees for the EBRD loans.

The response to question 3 of WT/ACC/MOL/8 also states that energy tariffs were to be raised to cost-recovering levels by the end of 1997.

**Question 7.**

**Has this increase to cost-recovering levels taken place?**

Answer:

New tariffs for gas, electricity and heating were elaborated by the National Energy Regulatory Agency in early 1998. Tariffs for energy have been raised twice: for electricity on 1 October and for thermal energy and gas on 15 November 1998. Although it was foreseen a gradual increase to cost-recovering levels, the economic difficulties and sharp devaluation of the Leu (national currency) towards dollar erased Governmental efforts to bring shortly the energy tariffs to cost-recovering levels.

**Question 8.**

**What steps have been taken thus far in 1998 to privatize Thermocomenergo and other energy providers?**

Answer:

Currently Ministry for Development of Territories, Construction and Public Services together with the Ministry of Economy and Reforms are carrying out the elaboration of the Concept of Privatization of the thermo-energy sector. The implementation of this concept will start sometimes during the first half of 1999. Initial stage foresees the restructuring of the enterprises from this sector and their transformation in joint-stock companies.

Concerning other energy providers, the basis for governmental reforms in this sector are stipulated in the Law on Privatization Program for 1997-1998 and a range of other laws and Governmental Decisions. The reorganization of Moldenergo company and the creation of Moldovan-Russian joint venture on the basis of MoldovaGas are the major elements of the program of reforms in this sector.

For further details, Moldova will keep apprised the Members of the Working Party on the developments in this sector.

**Question 9.**

**Are any further subsidies to Moldovan Railways anticipated, or is there authority for such subsidies?**

Answer:

According to the Budget Law 1998 (Art.27.6(h)) Moldovan Railways was exempted from real estate tax. Same article par. 1 provided VAT exemption on the imported transport vehicles and their parts that applied also to the railways facilities. Budget Law 1999 (Art.25.5(a)) provides for the exemption from real estate tax institutions funded from the state and local budgets.

**Question 10.**

**Are any conditions attached to such subsidies?**



Answer:

Article 27.6 (h) of the Budget Law 1998 stipulated that the exemption from real estate tax is made only in the case when the amount calculated for this tax should be used for the procurement of the equipment and spare parts. Budget Law 1999 does not provide any conditions to the exemptions from real estate tax institutions funded from the state and local budgets specified in the previous answer.

In its response to question 4, Moldova lists 1996 outlays to several firms to assist with restructuring.

**Question 11.**

**Please indicate if these budget outlays continued through 1997 and into 1998, and outline Moldova's plans for future such supports.**

Answer:

The system of state support given to the enterprises in restructuring by direct investments in the equipment or capital constructions as indicated in WT/ACC/MOL/4 and WT/ACC/MOL/8 was discontinued in 1997 and 1998 because of budgetary deficits and economic difficulties. However, in 1997 an external state guarantee endorsed a credit given to "Perfuzon" by German Bank "Drezner Bank".

**III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE**

**1. Powers of executive, legislative and judicial branches of government**

**Question 12.**

**Is the judicial system still in transition? Are all decisions of the executive branch which affect international trade subject to independent judicial review?**

Answer:

Judicial system of the Republic of Moldova has been set up according to the Law "On Reorganization of the judicial system » that was enacted in 29 May 1996. This Law stipulates the authority of the Supreme Court of Justice, Economic Courts, Military Courts, Courts of Appeal, five Tribunals (High Courts) and County Courts, Courts of the districts (Rayons) of municipality Chisinau and Courts of three municipalities of the Republic of Moldova.

The Law on Economic Courts, enacted on 14 July 1996 stipulates the authority over disputes connected to the economic relations among the natural and legal persons. The Economic Courts are established by the Parliament and judges are appointed by the President of the Republic of Moldova based on proposition from the Supreme Council of Magistrate.

The Law on Economic Courts established the following system:

- Economic courts of districts
- Economic Court of the Republic of Moldova.

- Supreme Court for economic disputes.

Within the structure of Economic Court of the Republic of Moldova there are Appeal and Causation Board.

All decisions of the executive branch which affect international trade are subject to independent judicial review.

### **3. Division of authority between central and sub-central governments**

#### **Question 13.**

**Please provide a summary of the statute granting autonomy to the Gagauz-Yeri region.**

Answer:

According to the "Law on Special Judicial Statute of the Gagauz-Yeri" (hereinafter the Law), Gagauz Yeri is an autonomous territorial entity, having a special statute within the Republic of Moldova. Gagauz Yeri is administrated on the base of the Constitution of the Republic of Moldova, by the Law on Special Judicial Statute of the Gagauz-Yeri and other laws of the Republic of Moldova, the Rules of the Gagauz Yeri and normative documents of the People's Assemble which do not contravene with the Constitution of the Republic of Moldova. All laws and other legal provisions that are not in compliance with the Constitution of the Republic of Moldova are invalid. The official languages of the Gagauz Yeri are Moldavian, Gagauzian and Russian. In Gagauz Yeri were included localities where gagauzian people constitute more than 50 per cent of the population. Other localities where gagauzian people are less than 50 per cent can be included if the majority of the population decides so on the basis of a referendum.

The representative authority of the Gagauz Yeri is People's Assemble, which has the right to adopt normative documents, within the limits of its authority. The People's Assemble can adopt laws of local concern in the following fields:

- science, culture and education;
- health protection and sport;
- local fiscal, financial and budgetary activity;
- economy and environment;
- labour and social assistance;

The People's Assemble has the right to request Constitutional Court of the Republic of Moldova to cancel normative documents issued by legislative and executive bodies of the Republic of Moldova which limits the rights of the Gagauz Yeri authorities

The Governor is the supreme official person of the Gagauz Yeri and is elected once in four years. Any person of 35 years or older and speaks Gagauzian language has the right to be elected as Governor. Subsequently, the President of the Republic of Moldova confirms him as a member of the Government of the Republic of Moldova.

The Governor of the Gagauz Yeri can issue within the limits of this law decisions and orders available on the territory of the Gagauz Yeri. The Governor makes annual reports to the People's Assembly regarding the activity of public administration authorities from Gagauz Yeri. The Governor can be suspended if he does not comply with the Constitution of the Republic of Moldova, the present Law and other laws and decision issued by the People's Assembly. When the Governor is suspended his obligations are taken over by the Prime Deputy-President of the Executive Committee of the Gagauz Yeri.

The Executive Committee is the permanent executive body of the Gagauz Yeri, which is set up at the very first meeting of the newly elected People's Assembly. All decisions and orders of the Governor and the Executive Committee are sent in ten days to the Government of the Republic of Moldova for information purposes.

The budget of the Gagauz Yeri is formed by all payments stipulated in the legislation of the Republic of Moldova and People's Assembly.

#### **Question 14.**

**We welcome the offer to inform the Working Party of the provisions of the Agreement on the Transnistria region.**

#### Answer:

A decisive step towards the settlement of the Transnistrian problem represents the Memorandum On the Basis for Normalization of Relations Between the Republic of Moldova and Transnistria signed in Moscow on 8 May 1997.

This framework memorandum sets the political basis for continuing activity aimed to approach the final solution of the dispute.

Based on the memorandum, an agreement on the organizational basis of social-economical collaboration between the Republic of Moldova and Transnistria has been signed on 10 November 1997. It established an institutional basis for better coordination among the central government and local authorities of the Transnistrian region. Article 1 of the agreement provides for the creation of joined Commission, as well as other different commissions in specific areas such as customs, telecommunications, culture, environment, etc. listed in Article 8 of the same agreement. Article 3 of the Agreement provides that the Joined Commission will hold its sessions not less than once in three months. Permanent work groups that are aimed to accomplish ad hoc tasks are created upon necessity.

The English version of the both texts Memorandum and Agreement concerning Transnistria region are submitted to the Secretariat together with these answers.

#### **5. Laws and legal acts**

#### **Question 15.**

**Has Moldova activated the special trade information facility outlined in Article 21 of the law on Foreign Trade Activity?**

Answer:

Although the law on Foreign Trade Activity has been presented to the Parliament, it has not been enacted so far. However, special trade information facility outlined in Article 21 of the aforementioned law has been activated within the Ministry of Economy and Reforms. This information center offers on no charge basis some of the information mentioned in the draft law and with the technical assistance for next year is foreseen the enlargement of this center and its database, as well as range of services provided.

**Question 16.**

**Will this facility operate as the authorized inquiry point required under certain WTO Agreements, e.g., GATS, TBT and SPS? Will Moldova include information on its licensing system in this facility?**

Answer:

An inquiry point required under TBT agreement has been established in August 1998 by the decision of the Director General of the State Department of Standards, Metrology and Technical Supervision. A similar center required by SPS agreement is foreseen to be established either under the State Inspection of Phytosanitary Quarantine or within the same center created by the Standards Department. Similarly within the technical assistance program a GATS's enquiry point will be established by the end of next year. For the time being it is under discussion under which institution this center could be created. Concerning the information on the licensing system of Moldova, it is already available in the information center of the Ministry of Economy and Reforms mentioned in the previous question.

**Question 17.**

**Will this facility address the requirements of GATT Article X for transparency in the application of laws, decrees, etc., related to trade?**

Answer:

Based on the responsibilities attached to and due to the services rendered by the aforementioned facility instituted within the Ministry of Economy and Reforms it will play a considerable role in implementing the transparency requirements of GATT Article X. At the same time all the relevant laws and regulations as described in GATT Article X are promptly published in "Monitorul Oficial al Republicii Moldova" which is main publication for this purpose. In addition other decisions or regulations in specific areas are published in specialized newspapers or magazines. A general rule (according to the provision 76 of the Constitution of the Republic of Moldova) applies that no one law, decision or regulation is enacted and implemented without prior publication.

#### **IV. POLICIES AFFECTING TRADE IN GOODS**

##### **1. Import Regulation**

##### **(b) Characteristics of national tariff**

###### **Question 18.**

**In WT/ACC/MOL/8, Article IV, section 1 b, Moldova indicates that it currently uses the HS92 system for both classification and statistical purposes, and intends to adopt the HS96 system in 1999. We believe it is important that Moldova negotiate and establish its goods market access schedule in the HS96 nomenclature. Does Moldova have a more precise estimate of when it would be able to move to the HS96 nomenclature in its market access offer.**

Answer:

Currently Moldova has prepared a HS96 version of its market access offer and carries out its bilateral negotiations on this basis.

###### **Question 19.**

**Moldova's tariff offer schedule has two extra columns: "Volume of Trade" and "T.V" Could Moldova provide more detailed definitions for these column headings.**

Answer:

The aforementioned headings do not belong to the tariff offer schedule. However, in reply to the member countries request to present simple and weighted average tariffs the calculation has been made on the basis of the submitted tariff offer. Both of them are part of a file sent in electronic format to the member countries. This file contains the calculation of simple and weighted average tariffs. For this purpose the "Volume of Trade" has been used and "T.V" heading contains the calculation of the volume of trade multiplied by the respective tariff rate by HS chapter.

###### **Question 20.**

**Moldova's tariff offer and applied tariff schedules do not have product descriptions. Please provide the descriptions for the products in tariff offer schedule and applied tariff schedule.**

Answer:

Together with these answers Moldova is submitting applied tariff rates for the 1998 in electronic format and the product description for each HS line according to the schedule.

###### **Question 21.**

**Why are customs duties modified annually in the Budget Law? Will Moldova observe a standstill during its negotiations for accession to WTO? What percentage of revenue do receipts from customs duties represent?**

Answer:

The present system foresees the adoption of customs duties by Budget Law. Thus customs duties are reviewed every year with the new Budget Law and are enacted as an annex to the law.

Currently Government proposed to modify this system. The proposition submitted to the Parliament foresees the adoption of custom tariff with base duty rates and applied ones as annex to the Law on Customs Tariff. Only few amendments will be passed through Budget Law. This new scheme is expected to be effective from the year 2000.

Moldova will observe a standstill during its negotiations for accession to WTO in regard to its initial offer.

The revenue from customs duties are as follows: in 1996 - MDL 77,64 million and 1997 - MDL 101,53 million that represents 3.7 per cent and 3.5 per cent of total fiscal revenue accordingly.

**Question 22.**

**Please provide as soon as possible, copies of applied rates of customs duty on diskette together with import statistics on a tariff line basis, with totals for European Communities as well as individual Member States for each line.**

Answer:

Together with these answers Moldova submits on diskette the applied rates of customs duty for 1997 together with import statistics on a tariff line basis (at four digits level) with totals for European Communities, as well as import statistics by each of EC countries (at eight digits level).

**Question 23.**

**Please provide an update on adoption of Law on Customs Tariff, the text of the law and a summary of its provisions relevant to customs duties.**

Answer:

The Law on Customs Tariff No 1380-XIII, has been enacted on 20 November 1997. This Law consists of two major parts: customs valuation and rules of origin. Both issues have been addressed to meet the WTO requirements on these subjects in the Moldovan legislation and to implement the respective WTO agreements. This Law establishes the procedure of establishing and applying customs tariff of the Republic of Moldova, as well as methods of determining customs value of imported goods and the rules of origin applied to them.

The provisions related to customs duties are covered by the second chapter of the law. This includes types of duty rates applied in the Republic of Moldova. (*ad valorem*, specific, mixed duty rates and other duties which are applied as (a) safeguard measures, (b) anti-dumping duties and (c) countervailing duties (in case of subsidized imports).

Together with these answers Moldova submits the English version of the Law on Customs Tariffs.

(c) **Tariff quotas, tariff exemptions**

**Question 24.**

**Please confirm that there are no tariff quotas and that tariff exemptions are granted on an m.f.n. basis.**

Answer:

Moldova confirms that it does not use any tariff quotas and applies tariff exemptions on an m.f.n. basis.

However, depending on the results of market access negotiations Moldova might have some tariff quotas introduced.

**Question 25.**

**What portion of Moldova's imports enter duty free at the current time, (a) through tariff exemptions for inputs in goods that are ultimately exported or in the free trade zones, (b) based on "zero" duties rates, and (c) based on preferential tariff treatment, i.e., exempted from normal tariff treatment based on origin.**

Answer:

The following figures are for the 1997 trade statistics.

- duty free imports through tariff exemption for inputs in goods that are ultimately exported constitutes 4.4 per cent of total import;
- in addition, the volume of imported goods in the free trade zone under the customs supervision regime is 4 per cent of the total import;
- the portion of the imports coming from the countries with whom Moldova has signed free trade agreements (CIS and Rumania) constitutes 61.5 per cent of total import;
- in addition, the volume of trade coming at the zero duty rate (except CIS and Rumania) accounts for 8.6 per cent of total import;
- irrespective of the origin the imports under technical assistance projects and humanitarian aid are exempted from customs taxes and account for 2 per cent of total import.

**(d) Other duties and charges, fees for services rendered**

**Question 26.**

**Please confirm that no duties and charges are levied apart from ordinary customs duties and fees for services rendered, and that other duties and charges will be bound at zero in the tariff schedule.**

Answer:

Moldova confirms that currently no duties and charges are levied apart from ordinary customs duties and customs user fee of 0.25 per cent of the value of goods. However, in order to adjust its customs user fee according to WTO provisions (GATT Art. VIII), Moldova intends to introduce a flat fee for customs clearance and to bind 0.25 per cent as other charges in the tariff schedule.

**Question 27.**

**Please provide an update of action to bring fees for services rendered (customs user fee, license fees) veterinary certification fees, any other) into conformity with WTO provisions (especially 0.1 per cent of value of goods under general license and 200,000 MDL p.a. for alcohol and tobacco licenses).**

Answer:

Starting with the Budget Law 2000 Moldova will adjust its customs user fee to the cost of services rendered.

The Decision of the Constitutional Court nr.14 of 19 May 1998 and Government Decision nr.716 of 30 June 1998 introduced certain amendments to the Decision nr.777 that abolished the license fee of 0.1 per cent, as well as licensing fee of MDL 200,000 for import of alcohol or tobacco products.

The response to question 13 of WT/ACC/MOL/8 states that Moldova will inform this Working Party as to its decision on whether the customs user fee will be incorporated into the tariff or a flat fee will be charged.

**Question 28.**

**What is the decision that Moldova has reached to bring its customs fee into conformity with GATT Article VIII?**

Answer:

Although the same *ad valorem* customs user fee has been proposed for the new draft Budget Law 1999, currently this subject is under discussion. Due to budgetary constraints the main concern is to allow sufficient financial resources to be collected by the customs itself in order to ensure self sustainability for the period of establishment. Therefore the proposal is to bind 0.25 per cent as other taxes at the customs and to introduce a flat fee for customs clearance that will correspond to the provisions of Article VIII of GATT.

**(e) Quantitative import restrictions**

**Question 29.**

**Please provide an update on adoption of the new Government decision replacing Decision 371. Please provide text in WTO language and a summary of its provisions.**

Answer:

Government Decision nr. 777 of 13 August 1997 "On improving the mechanism of Regulating External Economic Relations" and subsequent amendments had replaced the Government Decision 371. Together with these answers Moldova provides the English version of new decision, as well as the amendments to it.

**Question 30.**

**Please clarify whether goods are licensed or persons are licensed.**



Answer:

Government Decision nr. 777 of 13 August 1997 "On improving the mechanism of Regulating External Economic Relations" sets the mechanism for licensing goods.

New Government Decision nr. 859 dated 13 August 1998 on Regulation of certain types of activities in the Republic of Moldova foresees licenses that are issued to persons or companies engaging in certain activities and do not establish any limitations on the quantities of goods.

**Question 31.**

**Please add two columns to the table in the answer to question 53 in WT/ACC/MOL/4 to show the reason for each licensing requirement and the WTO justification. Please provide a plan of any necessary amendments to bring licensing requirements into line with WTO provisions.**

Answer:

Governmental Decision 777 replaced previous Decision nr. 371. The list of products licensed specified in the answer to question 53 in WT/ACC/MOL/4 almost did not changed but there is a new scheme of institutions authorized to issue such licenses. The institutions and the product groups covered, as well as the reason for each licensing requirement and WTO justification are given in the table below.

Special Governmental Committee

Product Group	HS-Code	Reason for licensing	GATT reference
Weapons, ammunitions, military equipment, kits to produce such equipment, works and services in the field of technical-military cooperation	93.00	National security	Art. XXI (b) (ii)
Explosive substances	36.01-36.04	National security	Art. XXI (b) (ii)
Nuclear materials, technologies, equipment and installations to produce such materials	2844, 8401	National security	Art. XXI (b) (ii)

Ministry of Health

Product Group	HS-Code	Reason for licensing	GATT reference
Pharmaceutical products	1204, 1207, 1211, 2924, 2935-2938, 2941, 3001-3006, 370110, 4014, 4015, 481840, 481890, 7017	Protection of human, animal or plant life or health	Art. XX (b)
Medical and optical equipment, parts and accessories, bio-media for the development of microorganisms	9001-9004, 9018-9022, 3821	Protection of human, animal or plant life or health	Art. XX (b)
Diagnostic tests and chemical reactives	3822, 38084	Protection of human, animal or plant life or health	Art. XX (b)

Product Group	HS-Code	Reason for licensing	GATT reference
Drugs, substances with psychotropic effects; materials to produce such substances	1302, 2921, 2922, 2926, 2929, 2932, 2939, 280610, 2807, 28416, 290231, 290911, 291411, 291412, 29143, 291524, 291633, 29242950, 29329073-29329071, 293332, 29394, 29396.	Protection of human, animal or plant life or health	Art. XX (b)

Ministry of Agriculture and Processing Industry

Product Group	HS-Code	Reason for licensing	GATT reference
Poisons	280480, 280540, 2837, 2838, 284160, 2904, 2907, 2908, 291521,	Protection of human, animal or plant life or health	Art. XX (b)
Chemical and biological products for plant protection and stimulation of plant growing.	31, 3808	Protection of human, animal or plant life or health	Art. XX (b)
Tools and devices for vet services	9018-9022	Protection of human, animal or plant life or health	Art. XX (b)

Ministry of Finance

Product Group	HS-Code	Reason for licensing	GATT reference
Precious metals (silver and gold), objects made thereof, alloys, semifabricates, wastes containing precious metals (except electronic articles containing precious metals),	7106, 7108, 7113, 7114, 7115, 7118, 711210	Special role of gold and silver	Art. XX (c)

**Question 32.**

**Please explain how the GATT Article XX: (c) justification applies not only to gold and silver but to the other products mentioned in answer to question 32 in WT/ACC/MOL/3.**

Answer:

The WTO justification to each of the product groups covered by the licensing scheme has been given in the answer to the previous question. Currently there are no any other products licensed.

**Question 33.**

**Has Moldova taken any temporary protective measures authorized by Article 13 or other provisions of the Law on Foreign Economic Activity?**

Answer:

The Law on Foreign Economic Activity has not been enacted so far. Therefore no provisions of this law could be applied. At the same time, due to the difficult economic situation and critical balance-of-payment deficit, Moldova introduced through Art. 17.2 of the Budget Law 1999 a temporary measure in form of custom duty surcharge of 5 per cent of the customs value of imported goods. This surcharge applies to the goods to which zero customs duty has been fixed. It does not apply to the goods listed in annex 11 of the Budget Law, as well as to the goods exempted from customs duty according to Article 26.(1) p7 and p9.

**Question 34.**

**Has Moldova taken any measures under Article 15 of the Law on Foreign Economic Activity, i.e., any safeguard measures? Has Moldova enacted implementing regulations elaborating on its provisions?**

Answer:

No safeguard measures under the aforementioned Law or under any other law have been taken. A new draft Law on Anti-dumping, Countervailing duties and Safeguard measures has been elaborated and will be shortly presented to the Government for approval and afterwards to the Parliament.

A copy of the draft Law on Anti-dumping, Countervailing Duties and Safeguard Measures is submitted together with these answers.

**Question 35.**

**What progress has Moldova made towards enacting additional legislation that will implement Article 3 of the Law, i.e., bring Moldova's laws for emergency protection into line with WTO provisions?**

Answer:

See previous answer.

**(f) Import licensing procedures**

**Question 36.**

**We appreciate the information provided by Moldova on its import licensing procedures in document WT/ACC/MOL/8/Add.1.**

Moldova's general comments:

Currently in Moldova exists only one import licensing system established by the same Government Decision nr. 777, mentioned in document WT/ACC/MOL/8/Add.1 with the amendments introduced later through Governmental Decision 76 of 22 January 1997 and Governmental Decision 716 of 30 June 1998. The latter abolished inconsistencies with GATT Article VIII that existed in the regulation on imports of alcohol and tobacco products. Due to the peculiarities of the product groups that are licensed, Ministry of Finance elaborated in the framework of the Government Decision 777 separate regulations for each of the product groups concerned.

Besides import licensing for goods introduced by the above mentioned decision, a new Government Decision nr. 859 of 13 August 1998 has been enacted to license certain types of activities. This does not refer to the imports of goods and has the purpose to register the companies engaging in these types of activities.

The English version of both Decisions is submitted together with these answers.

### Question 37.

**How should we view the import licensing procedures documentation listed in previous WTO submissions? Does the document contained in WT/ACC/MOL/8/Add.1 supersede all of that information or does some of it still apply?**

Answer:

The Government Decision nr. 777 of 13 August 1997, mentioned in WT/ACC/MOL/8/Add.1 supersedes all of the information, procedures and documentation listed in previous WTO submissions.

For example, in WT/ACC/MOL/3 in the answers for questions 31 through 36, the agencies responsible for processing the licensing are listed.

### Question 38.

**Do these answers still apply? If not please provide a list of agencies that are responsible for processing the import licenses.**

Answer:

The provisions of the Governmental Decision 777 authorize certain institutions to issue licenses for specific transactions thus being limited to those transactions. The institutions and the product groups covered are described in reply to question 31.

In addition, the new Government Decision nr. 859 dated 13 August 1998 on Regulation of certain types of activities in the Republic of Moldova authorized the following bodies specified in the table below to issue the licenses for engaging in certain types of activities. These licenses are issued only for engaging in the activities listed and do not establish any limitations on the quantities of goods.

Institution	Activity
Ministry of Finance	Import and wholesale of alcohol beverages, Import and wholesale of tobacco products, Import and sale of petrol and diesel.
Ministry of Agriculture and Processing Industry	Import and trade of chemical and biological products and fertilizers for plants.
Department of Standards, Metrology and Technical Supervision.	Import, utilization, storing and sale of chemical reagents, liquefied gas and toxic chemical substances and with danger of deflagration, Import, export, production and utilization on the territory of Moldova of the ozone depleting substances, Import, deposit, exploitation and utilization of ionic radiation sources radioactive materials.

## Transparency

### Question 39.

**According to Article I, section 4 (a) of the Agreement on Import Licensing Procedures, the rules and all information concerning licensing procedures shall be published in such a manner as to enable traders to become acquainted with them. Can Moldova confirm that documentation requirements for licenses are published and readily available to traders?**

#### Answer:

Moldova confirms that all regulations and rules concerning import licensing are registered in the Ministry of Justice and are enacted only after publication. All such publications are available to traders.

### Question 40.

**According to Article 3, section 5a of the Agreement on Import Licensing Procedures, other Members have the right to comment on your import licensing regime and request statistical information about it. Can Moldova confirm that other Members are able to comment on their licensing regime? How are such comments collected and acted upon?**

#### Answer:

Since the submission of Foreign Trade Memorandum Moldova allowed the Members to comment on its licensing regime and during the period of accession it was considerably improved following different comments received. At the previous Working Party's meeting this issue has been thoroughly discussed and Moldova always submitted to the Members its regulations on import licensing, including in the draft form.

## Product Coverage

### Question 41.

**According to Annex 3 of WT/ACC/MOL/8/Add.1, Moldova has two import licensing systems, one for alcohol and tobacco and another for all other goods. According to the Annex 3, Article I, import licensing has been introduced for petrol and diesel. Is another licensing system being created for petrol and diesel that is different from the two that already exist for alcohol and tobacco and other industrial goods?**

#### Answer:

As described earlier, in Moldova exists only one import licensing system established by the Government Decision nr. 777, mentioned in document WT/ACC/MOL/8/Add.1 with the amendments introduced later through Governmental Decision 76 of 22 January 1997 and Governmental Decision 716 of 30 June 1998. Based on this system separate regulations have been introduced for some products. Thus, Government Decision nr. 305 of 27 March 1997 introduced a licensing system for petrol and diesel (an authorization).

Regulation for alcohol and tobacco for the time being remains unchanged as it is described in the earlier document WT/ACC/MOL/8/Add.1 with the exception that the license fee of 200,000 MDL per annum has been abolished. Currently there is a new draft of the regulation for imports of alcohol

and tobacco products, prepared by the Ministry of Finance but it is not yet registered by the Ministry of Justice and it is not enacted.

For other goods the relevant institutions have to prepare similar regulations.

**Question 42.**

**Please provide the HS numbers for the petrol and diesel products that are now subject to import licensing.**

Answer:

Petrol	27100021-27100039
Diesel	2710006

**Question 43.**

**Please provide a list of HS numbers that are covered under the alcohol and tobacco system.**

Answer:

For the time being there are no HS numbers covering these products, that are stipulated in Government Decision nr. 777. A new regulation for imports of these products is expected that will specify HS numbers as well.

**Licensing Fees**

**Question 44.**

**According to GATT Article VIII, all fees and charges imposed in connection with importation shall be limited to the approximate cost of services rendered. *Ad valorem* fees do not approximate the cost of services rendered. Moldova's current general licensing fee is 0.1 percent of the value of the goods imported. The general import license fee of .1 percent of import value does not appear consistent with the provisions of GATT Article VIII. How does Moldova intend to address this?**

Answer:

Following the Decision of the Constitutional Court nr.14 of 19 May 1998, Government Decision nr.716 of 30 June 1998 introduced certain amendments to the Decision nr.777 that abolished the license fee of 0.1 per cent.

Moldova charges MDL 200,000 for a license to import alcohol or tobacco products. It would appear that the alcohol and tobacco import licensing fee is a fee for the right to import, and not related to the actual cost of administration of the licensing system.

**Question 45.**

**How is this fee related to the cost of issuing the license? How is this licensing fee going to be changed to be in accordance with GATT Article VIII?**

Answer:

The same Government Decision nr. 716 (p.3) mentioned above abolished the licensing fee of MDL 200,000 for import of alcohol or tobacco products.

**Question 46.**

**According to GATT Article VIII, all fees and charges imposed in connection with importation shall not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes. How is this licensing fee going to be changed to be in accordance with GATT Article VIII?**

Answer:

See previous answers.

**Appeals Process**

**Question 47.**

**According to Article 3, section 5e of the Agreement on Import Licensing Procedures, "If the license application is not approved, the applicant shall, on request, be given the reasons and shall have a right of appeal or review in accordance with the domestic legislation or procedures of the importing Member." Can Moldova confirm that the reasons for rejecting license applications are given in writing?**

Answer:

Moldova confirms that upon importer's request the reasons for rejecting license applications are given in writing.

**Question 48.**

**Who handles appeals on decisions regarding import licensing?**

Answer:

First, complains are examined by the head of respective institutions and, second, the appeals are handled by the economic court.

**Question 49.**

**Have any license requests been refused, and if so, why? May importers obtain an import license in advance of shipment of the goods?**

Answer:

So far no license request has been refused. For all the products importers should obtain an import license in advance of shipment of the goods. For some products (especially pharmaceuticals) this is a mandatory requirement. For most of the products, the license could be obtained upon importation. During the timeframe when the license is issued the goods are under customs supervision.

## Other Licensing Issues

### Question 50.

**Article 2, section 2a of the Agreement on Import Licensing Procedures states that "any person, firm or institution which fulfils the legal requirements of the importing Member for engaging in import operations involving products subject to automatic licensing is equally eligible to apply for and to obtain an import license." According to Annex 3, Article IV "Only legal persons are eligible to apply for an import license." Can Moldova confirm that all legal persons are equally eligible for import licenses?**

Answer:

Moldova confirms that all legal persons are equally eligible for import licenses.

### Question 51.

**Are the licenses related to specific quantities of imports, i.e., are they limited to the importation of a specific shipment or can they be used to import unlimited quantities within the duration of the license?**

Answer:

The licenses are issued for certain duration and are issued for specific quantities of imports based on request or contract.

### Question 52.

**Concerning the criteria for obtaining import licenses: What are the criteria for obtaining import licenses for alcohol or tobacco products?**

Answer:

See answer to question 40.

### (h) Customs valuation

### Question 53.

**Please provide an update on adoption of Law on Customs Tariff and the valuation questionnaire, the text of the Law and a summary of its provisions relevant to customs valuation. Could Moldova provide a plan for the implementation of the Law?**

Answer:

The Law on Customs Tariff has been enacted on 20 November 1997. This Law consists of two major part: customs valuation and rules of origin. Both issues have been addressed to meet the WTO requirements on these subjects in the Moldovan legislation and to implement the respective WTO Agreements.



According to the provisions of Article 32 of the Law on Customs Tariff, the implementing governmental institutions would have to elaborate and to submit the package of the legal documents (proposals to amend existing legislation, drafts of Governmental Decisions and other regulations) in order to implement fully the provisions of the Law.

The English version of the Law is submitted together with these answers. Valuation questionnaire and a summary of the provisions relevant to customs valuation Moldova will submit shortly to the members of the Working Party.

**Question 54.**

**We commend Moldova for its commitment to implement a WTO-consistent customs valuation regime prior to accession according to WT/ACC/MOL/8 at page 7 and WT/ACC/MOL/2 at page 16. However, we are unable to state that Moldova has fully implemented the WTO Valuation Agreement at the present time.**

**Based on our review of the documents, Moldova has only partially implemented the WTO valuation Agreement.**

**Customs Valuation is set forth in the draft "Law of the Republic of Moldova on the Customs Tariff. " This document is to amend the previous valuation regulations in Decision 99. As the draft law more fully implements the WTO Valuation Agreement and is intended to supersede Decision 99, our review is limited to it.**

**We would simply note for the record, however, that as written Decision 99 does not implement the WTO valuation agreement and in many cases is in conflict with the draft law. The regulations set forth in Decision 99 concerning the methods of valuation need to be modified to conform to the draft law, as outlined below, or revoked.**

Moldova's General comments:

The Law on Customs Tariff has been enacted on 20 November 1997. This Law consists of two major part: customs valuation and rules of origin. Both issues have been addressed to meet the WTO requirements on these subjects in the Moldovan legislation and to implement the respective WTO agreements.

Moldova welcomes any comments on its legislation and is willing to consider them in improving its regulatory mechanism. We understand that the questions formulated below are based on the previous draft of the Law submitted to the Secretariat. Since the final variant of the Law that has been enacted suffered some changes from the initial draft our answers will be based on the text of the approved Law.

**We find that Moldova's draft law fails to address the following critical areas. We are prepared to present our concerns more fully in additional comments that also detail other technical problems we found during our review which will be passed to Moldova separately.**

**Question 55.**

**Article 11 of the WTO Valuation Agreement is not fully implemented.**

Answer:

Article 7.4 of the enacted Law provides the right of appeal according to our legislation, without any penalty, by the importer or any other person liable for the payment of the duty.

**Question 56.**

**The provisions for assists/"goods and services" found in Article 8 and the Interpretative Notes to Article 8, Paragraph 1(b)(ii) in Annex I of the WTO Valuation Agreement are not fully implemented.**

Answer:

According to the provisions of Article 32 of the enacted Law on Customs Tariff, the implementing governmental institutions would have to elaborate and to submit the package of the legal documents (proposals to amend existing legislation, drafts of Governmental Decisions and other regulations) in order to implement fully the provisions of the Law. First draft of amendments has been already prepared by the Ministry of Finance and is submitted for comments to the related governmental institutions. Shortly after this draft will be discussed in the Government that will adjust its decisions to the newly enacted Law, as well as will submit to the Parliament for adoption draft amendments to the Law.

Therefore, missing parts of the WTO Agreement will be included shortly in the new package of laws that will be presented to the Government and the Parliament.

**Question 57.**

**The related party provisions in Article I and the Interpretative Notes to Article I, Paragraph 2 and 2(b) in Annex I of the WTO Valuation Agreement are not fully implemented.**

Answer:

The provisions of Article I and the Interpretative Notes to it will be addressed in the new amendments as described in the previous reply.

**Question 58.**

**Under Article 8(4) of the WTO Valuation Agreement, Moldova fails to include the provision concerning no other additions other than those provided for are to be included in the price actually paid or payable.**

Answer:

As mentioned above, Moldova will include this provision in follow-up amendments to the law or in the other regulations.

**Question 59.**

**Under Article 15, Moldova should conform the language to Article 5 of the WTO Valuation Agreement.**

Answer:

The enacted Law addresses more completely the context and the wording of the WTO Valuation Agreement. Even so, Moldova will take note to revise the related provisions of the Law to conform them to the similar provisions of the WTO Valuation Agreement.

**Question 60.**

**Under Article 6 of the WTO Valuation Agreement, Moldova fails to correctly implement the component, "profits and general expenses," as described in Interpretative Note to Article 6(5) in Annex I of the WTO Valuation Agreement.**

Answer:

See previous answer.

**Question 61.**

**Under Article 7 of the WTO Valuation Agreement, Moldova fails to include several prohibited methods of appraisal and the obligation to inform the importer in writing of the method of appraisal used by Customs.**

Answer:

A positive development of the previously submitted draft was that the actually enacted Law fully included all the prohibited methods of appraisal according to the Article 7 of the WTO Valuation Agreement. Concerning the obligation to inform the importer in writing of the method of appraisal use by Customs, Article 8 (5) and (6) of the enacted Law stipulates that upon importers request such information shall be given by customs authorities, although not expressly referring to the method of appraisal. We think that this is a matter of interpretation that could be clarified in follow-up regulations.

**Question 62.**

**The obligation to publish laws, regulations, etc./transparency pursuant to Article 12 is not implemented.**

Answer:

As mentioned earlier, all the relevant laws and regulations as described in GATT Article X are promptly published in "Monitorul Oficial al Republicii Moldova" (monthly newspaper) which is main publication for this purpose. A general rule (according to the provision 76 of the Constitution of the Republic of Moldova) applies that no one law, decision or regulation is enacted and implemented without prior publication. Thus, according to Moldovan legislation, no one law, decision or regulation will have legal power without prior publication and this provision has a general application to all laws. So there is no need to specify such provision in the Law on Customs Tariff.

**Question 63.**

**The Interpretative Notes in Annex I of the WTO Valuation Agreement are not fully implemented;**

Answer:

As mentioned above, Moldova will look carefully to implement those provisions in further amendments to the law and other regulations.

**Question 64.**

**Article 15(5) of the WTO Valuation Agreement provision concerning sole agent, sole distributor or sole concessionaire is not implemented;**

Answer:

See previous answer.

**Question 65.**

**Moldova should modify Article 9 to reflect the language in Article 16 of the WTO Valuation Agreement;**

Answer:

As mentioned above, Article 8 (5) and (6) of the enacted Law stipulates that upon importers request the relevant information shall be given to the importer by customs authorities, although not expressly referring to the method of appraisal. We think that this is a matter of interpretation that could be clarified in follow-up regulations.

**Question 66.**

**The Committee on Customs Valuation Decision 4.1 concerning the "Valuation of Carrier Media Bearing Software for Data Processing Equipment is not implemented. We note that presently Moldova values both the carrier media and the data or instructions;**

Answer:

Moldova will review its regulations to meet the aforementioned Decision of the Committee on Customs Valuation.

**Question 67.**

**The Committee on Customs Valuation "Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods" is not implemented.**

Answer:

See previous answer.

**Question 68.**

**Could Moldova give an update on the status of the draft customs valuation law provided? How will necessary changes in that law be implemented?**

Answer:

As it was mentioned earlier in the Moldova's general comments, the Law on Customs Tariff has been enacted on 20 November 1997. Moldova will appreciate any effort of the Members to comment on its legislation and is ready to take into consideration all concerns expressed. Article 32 of the Law provides the framework for further changes and clarifications that would have to be presented in the form of amendments to the Law, as Governmental Decisions of Regulations of the Customs Department.

**(j) Preshipment Inspection**

**Question 69.**

**Does the Government, or any state owned enterprise, use the services of PSI companies**

Answer:

Currently neither Government nor any state owned enterprise use services of PSI companies, although there is one PSI company operating in Moldova as any other company. However, Government considers the opportunity of contracting PSI company but it is at an early stage of examination.

**(k) Application of internal taxes on imports**

**Question 70.**

**According to the response to question 18 of WT/ACC/MOL/8. the 1998 draft Budget Law will bring VAT and excise taxes into conformity with the relevant WTO provisions. When will the draft Budget Law be enacted?**

Answer:

The Budget Law 1998 nr. 1446-XIII has been enacted on 27 December 1997. It brought into conformity with the relevant WTO provisions the application of excise tax and VAT. The only exception (Article 13) was made for Russia and Belorussia concerning VAT application, although the Chapter III of the Fiscal Code foresees no such exceptions. Based on this new Budget Law 1999 enacted in December 1998 brought fully into conformity with the relevant WTO provisions the application of excise tax and VAT without any exceptions.

**Question 71.**

**Has this draft law been submitted to the WTO Secretariat?**

Answer:

Both, Budget Law 1998 and draft Budget Law 1999 are submitted to the WTO Secretariat together with these answers.

**Question 72.**

**What is the status of Moldova's efforts to equalize excise taxation on imports and domestic production, e.g., on tobacco and alcohol?**

Answer:

As mentioned above, starting with Budget Law 1998 in its Annex nr. 5 excise taxes on imports and domestic production for all items covered with excise taxes have been equalized. This has continued with the Budget Law 1999 that in its annex provides the excise rates that are applied equally on imported and domestic goods.

**Question 73.**

**Please provide an update on application of destination principle to VAT and excise duties and the application of most-favoured-nation and national treatment to excise taxes) including oil and oil products. Please provide a table showing rates of excise taxes applicable to imported and domestic products defined by HS numbers.**

Answer:

Budget Law 1999 brought fully into conformity with the relevant WTO provisions the application of excise tax and VAT.

Below there are tables showing rates of excise taxes applicable equally to imported and domestic products specified in Budget Laws of 1998 and 1999 accordingly.

Appendix 5 to the Law on the Budget for 1998: List of Goods (Products) Subject to Excise Taxes

Goods (Products)	Unit of measure	Excise tax rate (in MDL)
1	2	3
1. Vodka, liqueurs	0.5 liter bottle	0.75
2. Liqueurs, including national beverages with a high alcohol content	0.5 liter bottle	0.50
3. All types of alcohol (100 per cent), except that used (in medicines, pharmacology, veterinary medicines, and perfumes)	decaliter	30.0
4. Natural grape wines	0.75 liter bottle	0.30
5. Fortified grape wine and fruit and berry wines	0.75 liter bottle	0.40
6. Wine and fruit and berry carbonated beverages with low alcohol content, up to 8.5 percent by volume	0.75 liter bottle	
7. Wine-making materials for the production of fortified wine; fortified wines bulk	Decaliter	10.00
8. Wine-making materials for the production of de fortified wine; fortified wines in bulk	Decaliter	12.00
9. Sparkling grape wines: natural, carbonated 0.7	0.75 liter bottle	10.00
varietal	0.75 liter bottle	1.50
10. Divin (flavored brandy) aged for:		
up to 6 years	0.5 liter bottle	4.00
more than 6 years	0.5 liter bottle	7.00

Goods (Products)	Unit of measure	Excise tax rate (in MDL)
1	2	3
11. Other wine-making products, canned products containing alcohol; grape must, treated with sulphites and blended (with the exception of that used in the production of non-alcohol products fruit-based wine-making materials, containing up to 50 percent grape wine, grape and apple wines)	liter	
12. Beer:		
kegs	liter	0.20
6otties, cans	liter	0.50
13: Tobacco products		
cigars, cigarillos	1,000 units	200.00
high-quality cigarettes	1,000 units	20.00
all types of filter cigarettes:		
medium-grade, more than 81 mm long	1,000 units	
low-grade, less than 81 mm long	1,000 units	
14. Uncured tobacco	metric ton	2,00
15. Jewelry made of precious metals:		
jewelry made of gold with a purity of less than 600	gram	10.00
jewelry made of gold with a purity of more than 600	gram	20.00
jewelry made of silver	gram	1.50
diamond jewelry	itam	170..00
16. Automotive gasoline	metric ton	600.00
17. Diesel fuel	metric ton	200.00
18. Passenger cars with an operating life of up to 3 years	engine capacity up to 1,300 and cubic cm	1,500.00
	engine capacity up to 1,300 and 2,000 cubic cm	2,000.00
	engine capacity above 2,000 cubic cm	3,000.00
19. Passenger cars with an operating life of 3 to 7 years	engine capacity up to 1,300 and cubic cm	1,600.00
	engine capacity up to 1,300 and 2,000 cubic cm	2,200.00
	engine capacity above 2,000 cubic cm	3,500.00
20. Passenger cars with an operating 7 to 10 years	engine capacity up to 1,300 and cubic cm	1,800.00
	engine capacity up to 1,300 and 2,000 cubic cm	2,500.00
	engine capacity above 2,000 cubic cm	4,000.00

## Notes:

1. These excise tax rates apply to the sale on the domestic market of excisable goods (products) of one's own manufacture, as well as those that have been purchased and imported (except i-making materials, bulk wine, and uncured tobacco), and to their export to CIS countries.

Wine-making materials, bulk wine, and uncured tobacco are subject to excise taxes at the time their export, and also when they are sold to economic entities that are located on the territory of the republic but do not have tax relations with the budget system; and when they are sold through the sales network and to persons who are not engaged in entrepreneurial activity.

2. When excisable goods (products) are sold in a form that does not correspond to the units of measure for which excise tax rates are set, the taxation is based on the established rates, and the volumes are converted into the required unit.

3. Components used in the manufacture of jewelry which are imported by the "Giuvaer" y factory in Chisinau for production purposes are not subject to excise taxes.

Annex 8 to 1999 Draft Budget: List of Excisable Goods

Name of goods	Unit of measurement	Excise rate
1. Vodka, liqueurs	0.5l bottle	0.75 leu
2. Liquor, including national drinks	0.5l bottle	0.50 leu
3. All types of 100 per cent alcohol (excluding alcohol for medical, pharmaceutical, veterinary, perfumery use), denatured alcohol, aldehyde-ester fraction	1 dal	30 leu
4. Dry grape wines	0.7l bottle	0.30 leu
5. Fortified grape wine	0.7l bottle	0.40 leu
6. Low alcohol drinks (up to 8.5. per cent)	0.5l bottle	0.30 leu
7. Wine material for production of natural wines; natural wines in bulk	1dal	10 leu
8. Wine material for production of fortified wines; fortified wines in bulk	1dal	12 leu
9. Carbonated grape wines:		
- natural, carbonated	0.75l bottle	1.0 leu
- traditional	0.75l bottle	1.5 leu
10. Divin (cognac), matured:		
- less than 6 years	0.5l bottle	4.0 leu
- over 6 years	0.5l bottle	7.0 leu
11. Other alcohol-containing wine-making and canning Products; harmonized sulphonated grape wort (excluding wort for producing non-alcoholic beverages); fruit wine Materials and fruit-grape wine material (with grape wine Content of up to 50 per cent), grape-apple wines, fruit and berry wines	1l	0.40 leu
12. Beer:		
- in cask		0.5 leu
- in bottle / can	1l	1 leu
13. Tobacco goods:		
- cigars and cigarillos	1000 pcs	800 leu
- filter cigarettes:		
size over 81 mm	1000 pcs	25 leu



Name of goods	Unit of measurement	Excise rate
size below 81mm	1000 pcs	10 leu
- non-filter cigarettes	1000 pcs	5 leu
14. Non-fermented tobacco	1 ton	2 000 leu
15. Precious metals jewelry:		
- gold (standard of fineness below 600)	Gram	10 leu
- gold (standard of fineness 600 and over)	Gram	20 leu
- silver	Gram	1.50 leu
- diamond	Item	170 leu
16. Motor petrol	1 ton	1000 leu
17. Diesel fuel	- 1 ton	500 leu
18. Motor cars (motor volume, cu cm):		
- 1 500 and less	Per piece	2 300 leu
- 1 500 to 1 750	Per piece	3100 leu
- 1 750 to 2 000	Per piece	4 050 leu
- 2 000 to 2 250	Per piece	5 900 leu
- 2 250 to 2 500	Per piece	7 400 leu
- 2 500 to 2 750.	Per piece	9 300 leu
- 2 750 to 3 000	Per piece	11600 leu
- over J 000	Per piece	14 500 leu
19. Coffee grains	1 ton	800 leu
20. Ground coffee and' instant coffee	1 ton	1000 leu
21. Garments of natural furs (mink, polar fox, fox, sable)	<i>Ad valorem</i>	25 per cent
22. TV sets; tape recorders and' other audio equipment:	Per piece	
- TV sets, screen size:		
Less than 14"		US\$20
14.1" to 20"		US\$25
20.1"to 24"		US\$30
24.1" to 28"		US\$50
Over 28		US\$65
TV sets with VCRs		US\$50
VCRs		US\$15
- Video cameras		US\$55
- Music center		US\$25
- Amplifiers		US\$30
- Audio cassette-recorder		US\$10
- Motor car cassette-player		US\$10
- Audio player		US\$10
- Tape-recorder		US\$10
23. Office furniture	<i>Ad valorem</i>	10 per cent
24. Top class home furniture	<i>Ad valorem</i>	15 per cent
25. Black caviar	Per kg	30 leu
26. Red caviar	Per kg	20 leu
27. Perfume	<i>Ad valorem</i>	10 per cent

Notes:

1. These excise tax rates are applicable to imported goods (products) and domestically manufactured goods (products) which are either exported to the CIS countries or sold at the domestic market. Excise taxes are not applicable when wine materials, wine in bulk and non-fermented tobacco are sold by producer which possesses processing capacities and is a taxable subject of the Republic of Moldova.

Excise tax is applicable to motor cars that are imported only.

2. When excisable goods are sold in units other than specified for the purposes of excise tax, the volume is re-computed in the required unit and the established tax rate is applied. Similar procedure is applied to compute the excise tax on alcohol on the basis of the absolute alcohol content.

3. Jewelry components imported by the "Gluvaer" jewelry factory of Chisinau for use in manufacturing are exempt from excise tax.

4. Paid excise taxes on procured alcohol, which is utilized in medicine, pharmacology and veterinary is offset against the budget.

**(1) Rules of origin**

**Question 74.**

**Please provide an update on adoption of Law on Customs Tariff, the text of the Law, and a summary of its provisions relevant to rules of origin. Are these consistent with WTO provisions?**

Answer:

The English version of the Law on Customs Tariff is submitted together with these answers. Both parts of the Law: custom valuation and rules of origin have been addressed to meet WTO provisions. However, Moldova welcomes any comments that might appear from the member countries and will take them in consideration while improving its legislation.

**(m) Anti-dumping regime**

**(n) Countervailing regime**

**(o) Safeguard regime**

**Question 75.**

**Please provide an update on draft law on anti-dumping, countervailing and safeguard measures, a copy of the law and a summary of its provisions.**

Answer:

A new draft Law on Anti-dumping, Countervailing duties and Safeguard measures has been elaborated and will be shortly presented to the Government for approval and afterwards to the Parliament.

A copy of the draft Law on Anti-dumping, Countervailing duties and Safeguard measures is submitted together with these answers.

## **2. Export Regulation**

### **Question 76.**

**Please confirm that no export duties are levied, or contemplated.**

Answer:

Moldova confirms that no export duties are levied, or contemplated.

### **Question 77.**

**Please provide an update of action to bring fees for services rendered (customs user fee, license fees, any other) into conformity with WTO provisions.**

Answer:

The Decision of the Constitutional Court nr.14 of 19 May 1998, Government Decision nr.716 of 30 June 1998 introduced certain amendments to the Decision nr.777 that abolished the license fee of 0.1 per cent and the licensing fee of MDL 200,000 for import of alcohol or tobacco products.

### **Question 78.**

**Please explain why export licensing requirements are necessary to protect Moldova's national security or life and health.**

Answer:

Currently there are no export licensing requirements.

### **Question 79.**

**Please provide an update of progress in abolition of the registration of export contracts.**

Answer:

Government Decision nr.777 adopted in August 1997 abolished the registration of export contracts.

## **3. Internal Policies Affecting Foreign Trade in Goods**

### **(a) Industrial policy, including subsidy policies**

### **Question 80.**

**In how many cases has the Government granted tax relief to enterprises? Have some enterprises benefited more than once from such relief?**

Answer:

These tax relief are given by the Government through Budget Law 1998 (Art.27)..

The following exemptions having been in effect in 1998:

1. VAT exemptions shall apply to:

- transactions involving the sale of: - bread, bakery products, and flour for their production to enterprises; - milk and dairy products on the territory of the republic by all enterprises; - electrical power provided to the general public.
- income from the sale of natural and liquefied gas.
- municipal services provided to the public involving the supply of heating, hot water, drinking water, and sewer services
- precious metals and precious stones in any form and condition, including scrap and waste products containing precious metals and precious stones, acquired and sold by the State Repository for Valuables;
- work associated with the appraisal of real estate owned by individuals, performed at request of local government authorities, and work related to confirming the rights of land owners;
- computers for the "Internet Medicine" system, imported by Soros Foundation in Moldova for the Medical Information Center at the N. Testemitean State University of Pharmacy and Medicine;
- imported equipment and spare parts (with the exception of office equipment and equipment for the gambling business and entertainment industry), vehicles and spare parts, as well as imported agricultural equipment in accordance with a list established by the Parliament;
- elite and super-elite seeds intended for propagation and incorporation into the production of new technologies, pesticides, protein-vitamin-mineral premixes, pedigreed livestock and poultry, day-old chicks of all types of poultry, and incubation eggs imported from countries that assess the value-added tax based on the place of destination;
- work to complete the construction of housing based on a list established by the Government.
- cement sold by the "Ciment" joint-stock company.
- editorial activity; the publication and printing of books focusing on culture, child development, science, and education; the publication and printing newspapers and magazines; transactions involving the sale of mass media publications, child development, science, and education; shipping services, loading and unloading, and handling of periodicals and products focusing on culture, child development, science, and education.

2. Exemptions from payment of the value-added tax to the budget shall apply to: agricultural enterprises regardless of their type of ownership and organizational-legal form on the sale of products from crop farming and animal husbandry in unprocessed form and on a live-weight basis. The amount of value-added tax shall be entered on a separate line in sales documents for these products. The amount of value-added tax remaining at the enterprises' disposal shall not be subject to the income tax;

3. Exemptions from payment of the income tax to the budget shall apply to:

- sheltered workshops which employ disabled persons and are operated by psychiatric hospitals of the Ministry of Health;
  - the Republican Experimental Center for Prosthetics, Orthopedics, and Rehabilitation under the Ministry of Labor. Social Protection and the Family
  - enterprises operated by penitentiaries on the conditions that at least 70 per cent of income is earmarked for production development;
  - commercial banks, by the amount of income lost from serving the public by accepting payment to the budget
  - income earned by enterprises in the fuel and energy complex as a result of including funds to cover debts in rates for energy resources, in an amount that corresponds to their share of the total rates;
4. Income tax exemption shall apply to:
- military personnel, officers and rank-and-file personnel of internal affairs agencies, the penitentiary system, and the fire and emergency rescue service Defense and Emergency Situations, on income earned at their principal place of employment. These persons may not transfer their personal exemptions to their spouses;
  - athletes and coaches, on financial assistance provided to them by the International Olympic Committee;
  - legal entities and individuals, on income earned from government securities acquired before 1 January 1999, regardless of their maturity date;
5. Land tax exemptions shall apply to:
- institutions financed at the expense of state and local budget funds;
  - enterprises operated by penitentiaries;
  - for parcels of land occupied by residential buildings, private farming plots, and plots used by the gardening cooperatives, within the limits of the established norms.
6. The Real Estate Tax exemption shall apply to:
- institutions financed at the expense of state and local budget funds;
  - enterprises operated by penitentiaries;
  - social and cultural facilities appearing on the balance sheets of economic entities, regardless of their type of ownership and organizational-legal form, and not used for entrepreneurial activity;
  - civil defense facilities;
  - diplomatic missions shall be exempt from the tax on real estate provided to them rent-free on a reciprocal basis;

- religious organizations shall be exempt from the tax on real estate intended for the performance of religious rites;
- the Republican Experimental Center for Prosthetics, Orthopedics, and Rehabilitation under the Ministry of Labor, Social Protection, and the Family;
- Moldova Railway, on the condition that the amount of assessed taxes is used to acquire rolling stock;

7. The Water Fee shall not apply to:

- the incidental removal of ground water accompanying the extraction of minerals or the removal of ground water for the purpose of averting (eliminating) its harmful effects;
- water used in fire-fighting operations
- water drawn from surface and underground sources to meet the drinking water needs of the population and for household use;
- surface water used in fish farming;
- water consumption by enterprises operated by organizations the disabled and charitable organizations;

8. The Stamp duty shall not apply to citizens filing inquiries with judicial authorities concerning the allocation of land of equal value and a stake in property ownership.

9. The value-added tax, customs duties, and the customs processing fee shall not apply to goods(work, services), both imported and acquired on the territory of the republic at the expense of credits and grants provided to the Government of Moldova or issued against government guarantees, at the expense of loans granted by international financial organizations (including at the expense of the share of the Government of the Republic of Moldova), which are intended for the implementation of the relevant projects in accordance with a list established by the Government.

**(b) Technical regulations and standards**

**Question 81.**

**The response to question 93/1 in WT/ACC/MOL/3 does not appear to cover certification requirements. Does Moldova have a law or regulations on certification?**

Answer:

Draft law on certification is currently submitted to the Parliament. Moldova presents draft of this Law together with these answers for Members' consideration.

**Question 82.**

**Where are certification requirements for specific classes of products spelled out? In product-specific legislation, or elsewhere?**

Answer:

Certification requirements for specific classes of products are spelled out by the Standards Department for each accredited body and are elaborated in conformity with RG 01-06-92 Document. RG means General Requirement. RG 01-06-92 is under revision and will be developed into a National Standard.

The response to question 93/2 references publications containing information on draft technical regulations, standards and procedures in Russia and Romania, as well as Moldova.

**Question 83.**

**Does this mean that the Moldovan government sends information to Russia and Romania for publication, or that regulations, standards and procedures published in these two publications also apply in Moldova?**

Answer:

The Republic of Moldova does not send this information for publication. Moldova sends information to Russia and Romania in the framework of bilateral cooperation. Russian and Romanian publications are used for information.

**Question 84.**

**We appreciate the information provided in the response to question 96 in WT/ACC/MOL/3. Are these the only regulations that Moldova has in place for products?**

Answer:

No, besides National Standards, Moldova applies international standards (ISO, MAC), regional standards (GOST, EN) and also carries out International Convention requirements regulating safety of chemical, poison, inflammable, explosive and other substances.

**Question 85.**

**Specifically, are there any specific regulations or requirements covering electrical safety, telecommunications equipment, medical devices and other classes of equipment?**

Answer:

The Republic of Moldova does not practice specific regulations or requirements for mentioned classes of equipment. The above mentioned documents apply also to these groups of products.

**Question 86.**

**Are specific certificates required?**

Answer:

Production certification in the Republic of Moldova is carried out according to the TBT Agreement conformity requirements. This means that the Republic of Moldova does not apply specific certificate classes, excluding hygienic certificates as a temporary class, introduced by the Ministry of Health in connection with complicated epidemiological situation in Moldova.

**Question 87.**

**Where are these requirements specified?**

Answer:

These requirements are specified in the technical regulations of the Ministry of Health.

**Question 88.**

**Does the complete list of goods for which certification is mandatory include information on the reasons for certification?**

Answer:

Yes, it does.

**Question 89.**

**With respect to the response to question 99, what is meant by the statement "Certification on the basis of manufacturers' declarations...is preliminary"?**

Answer:

Certification on the basis of manufacturers' declarations does not envisage any additional procedures, if there are no consumer's complains.

**Question 90.**

**Are the "random controls" referenced post-market or pre-market controls?**

Answer:

The State Inspection for Consumers' Rights Protection provides sample selection and quality control before goods are sold.

**Question 91.**

**Concerning the inquiry point and other procedural requirements: Please give a status report on the operation of the inquiry point.**

Answer:

As it was mentioned before, TBT inquiry point has been established in August 1998 by the Decision of the Director General of the Standards Department. Despite difficulties with technical implementation, currently TBT inquiry point is operational.



**Question 92.**

**Please give a status report on procedures which Moldova has in place, or which will be established, to ensure that government agencies and private bodies publish notice of proposed standards, technical regulations and conformity assessment procedures, provide a meaningful opportunity for comments by interested parties, take these comments into account before finalizing the proposal and otherwise comply with obligations for transparency.**

Answer:

The obligation for transparency are provided in the draft amendments to the Law on Standardization, draft Law on Certification, as well as in all basic standards of the national standardization system of the Republic of Moldova. Both drafts of the aforementioned laws have been submitted to the Parliament

**Question 93.**

**Please complete TBT questionnaire.**

Answer:

Moldova will present shortly an updated information to TBT questionnaire.

**Question 94.**

**About 5,000 standards are mandatory (WT/ACC/MOL/4, question 85). The TBT Agreement (Annex 1) provides that standards are not mandatory. What measures is Moldova taking to ensure that this fundamental principle is applied at the latest from the date of its accession to WTO?**

Answer:

Mandatory standards are referring only to the safety of products (services). The existence of mandatory standards is conditioned by the absence of such category of legislative documents as technical regulations. At present, Department of Standards is taking measures to introduce the concept of technical regulations and transfer of mandatory standards into the category of technical regulations.

**Question 95.**

**Please provide an update of measures taken to bring Moldova's measures into conformity with the TBT Agreement. Has an inquiry point been introduced?**

Answer:

Certain steps were undertaken to ensure fulfilment of TBT Agreement requirements: analysis of nonconformity has envisaged measures of their removal, pursuing a technical policy directed to applying of international standards (or their projects) while national standards are elaborated.

Plans to elaborate national standards are published in Moldova Standards edition "Buletinul de Standardizare" so, being available to interested users. Elaboration of national standards is carried out by technical committees on standardization that consist of all specialists from interested parties.

In August 1998 by the decision of the director general of the Standards Department a TBT inquiry point has been established.

**(c) Sanitary and phytosanitary measures**

**Question 96.**

**Please give a status report on Moldova's efforts to implement the procedural and other requirements of the WTO SPS Agreement.**

Answer:

A number of technical assistance activities have been carried out to increase the capabilities of responsible bodies to comply with provisions of the WTO SPS Agreement. Following the primary assessment, some of the amendments to the existing legislation are currently under preparation. Moldova will submit for consideration to the Members both the texts of enacted laws and draft regulations in this field.

**(d) Trade related investment measures**

**Question 97.**

**Does Moldova lay down any domestic purchasing or trade-balancing requirements?**

Answer:

Moldova does not lay down any domestic purchasing or trade-balancing requirements.

**(f) Free zones**

**(g) Free economic zones**

**Question 98.**

**We commend Moldova on the nondiscriminatory access to its free zones, as well as on the absence of discriminatory or trade-distorting criteria attached to these zones. Please report on activities to date in these zones. Approximately what portion of Moldova's imports and exports are generated by firms in these zones?**

Answer:

So far, only two of these zones are operational - Expo-Business-Chisinau and "Tvardita". Current activities in Expo-Business-Chisinau zone are split approximately in the following way (data are for the first half of 1997 and 1998 respectively): 57,5 per cent and 42.2 per cent trade, 14.6 per cent and 6.9 per cent industrial production and 27.5 per cent and 45.9 per cent services. As it was indicated earlier, the portion of imports generated by the free trade zone accounts for 4 per cent of the total import of Moldova. The portion of re-export from this zone in total export accounts for 1.2 per cent.

Last year another free zone "Tvardita" started to be operational. Moldova will shortly submit additional information on the activities of this zone.

**Question 99.**

**Has Moldova provided a copy of the Law on Free Economic Zones, No. 1451-XII of 25 May 1993?**

Answer:

Moldova will submit shortly a copy of the Law on Free Economic Zones to the Members for consideration.

**Question 100.**

**Please describe briefly the advantages granted by these zones.**

Answer:

The Moldovan legislation envisages guarantees and privileges for residents. The Free Enterprise's Zone is open for the following licenced types of activities: organization of fair and exhibitions, information and advertising, leasing, banking and insurance, tourism and hotel business, trading and storage business, public catering services, environment-friendly production output. Residents enjoy exclusive customs and tax regimes. In particular, exempt from customs duties are goods and items imported in the FEZ for final consumption. The profit tax has been set up to 20 per cent (elsewhere in the republic is 32 per cent). Goods and services manufactured and rented in the FEZ are exempt from VAT. Residents, which invested in the zone development US\$250,000 and more shall be relieved from paying the profits tax for five years. The residents shall have the rights to be guided by the old legislation during 10 years as from the moment of the new laws enactment.

**(1) Government procurement**

**Question 101.**

**We appreciate Moldova's commitment in response 40 of WT/ACC/MOL/8 to initiate negotiations for accession to the Government Procurement Agreement upon accession. We look forward to reviewing the Law on Government Procurement, promised in response 41, and any additional information Moldova provides concerning its current regime, with a view to helping it prepare for these negotiations.**

Moldova's Comments:

Recently a National Agency for Government Procurement has been established according to the previously enacted law. A program of technical assistance is under way to enable the staff of the Agency to meet the requirements and to implement the provisions of the Law.

Moldova submits together with these answers the latest version of the Government Procurement Law for Members consideration.

**Question 102.**

**Please provide an update of progress on the adoption of the draft Law on Government Procurement and a copy of the Law. Will Moldova be ready to join the Government Procurement Agreement?**

Answer:

The Law on Government Procurement nr. 1166-XII has been adopted on 30 April 1997. A copy of the Law is submitted together with these answers. Concerning the joining of Government Procurement Agreement Moldova did not take any decision so far. However, the matter will be considered after the accession to WTO.

**4. Policies Affecting Foreign Trade in Agricultural Products**

**We note that the following domestic support information was provided in WT/ACC/MOL/2/Add.2 but not reflected in WT/ACC/SPEC/MOL/1/Rev.1. We suggest that Moldova review these issues with a view to clarifying them and, as necessary, revising its presentation in WT/ACC/SPEC/MOL/1/Rev.1.**

**Question 103.**

**Moldova states in WT/ACC/MOL/2 that the government set the purchasing price of grain. In theory, this is an administered price, and should be presented in DS:5 (market price support). However, we suspect that the market price support (the difference between the administered price and an external reference price) is negative.**

Answer:

As indicated in WT/ACC/MOL/2 the Government intervention was to ensure a lower price on bread for social reasons. The scheme had changed from compensatory payments to the producers of grain for the loss incurred to the mechanism of purchasing the grain with half payment in cash and half in debt write-offs that led to a input subsidy for the subsequent production stages. We agree with the mere fact that in theory the mechanism of set prices of grain is a system of administered prices and therefore could be presented in DS:5. At the same time since the only reason was a social one and the governmental input was just up to a cost recovering level this did not bring any benefits to the producers.

**Question 104.**

**In the section of WT/ACC/MOL/2 on domestic support, Moldova presents planned expenditures for its 1996 budget (p.7). In this table, and the notes that follow, reference is made to a dairy subsidy (a per unit production subsidy). This subsidy does not appear SPEC/MOL/Rev.1, nor does the "farmer support payment" listed, which according to the description given in Add. 2 could be green box (payments are made independently of production).**

Answer:

According to the WT/ACC/MOL/2/Add.2 the planned expenditures for dairy subsidy were 0.20 Moldovan per unit of production. Provisions of Article 20 of the Budget Law 1996 stipulates that this subsidy should be deducted from the land tax. In reality, both reduction of land tax and VAT exemption have taken place. Therefore in the document WT/ACC/SPEC/MOL/Rev.1 this subsidy for 1996 according to the budget execution appears under two items (reduction of land tax and VAT exemption).

Concerning the "farmer support payment" we agree to include it as a green box measure.

Together with these answers we have included the Corrigendum to the document WT/ACC/SPEC/MOL/I/Rev.1.

**(b) Exports**

**Question 105.**

**We commend Moldova for its export subsidy-free regime and for the confirmation provided in the response to question 56 in WT/ACC/MOL/8 that it does not provide export subsidies for agriculture, and in WT/ACC/SPEC/MOL/I/Rev.1 that its export subsidy commitment in the accession will be zero.**

**We also appreciate Moldova's commitment that it will not introduce export performance or domestic content subsidies.**

**(c) Export prohibitions and restrictions**

**Question 106.**

**We commend Moldova for abolishing the registration requirement for agricultural products.**

**(e) Internal policies affecting foreign trade in agricultural products**

**Concerning WT/ACC/SPEC/MOL/I/Rev.1:**

**Question 107.**

**It would be useful if Moldova could provide three years of data as instructed in the WTO Secretariat's technical memo WT/ACC/4.**

Answer:

Moldova has presented the offer on agricultural subsidies together with the 3 years reference tables according to WTO Secretariat's technical memo WT/ACC/4 to all members of the Working Party of the Accession of Moldova (WT/ACC/MOL/7/Rev.2) in September 1998.

**Question 108.**

**We would appreciate if Moldova could include its *de minimis* calculations in the summary table DS:4.**

Answer:

The revised tables submitted together with these answers include *de minimis* calculations for each of the three years in the summary table DS:4.

**Question 109.**

**In regard to DS:9 Non product-Specific Aggregate Measurement of Support, could Moldova please provide more information (description) on the irrigation subsidy? How does this policy operate?**

Answer:

Previously, the irrigation facilities entirely belonged to the state, thus all the expenditures for their use have been carried by the Government. This situation has been partly changed in 1997 when irrigation equipment has been transferred in private ownership. Then the Government covered just part of the overall expenditures belonging to the general infrastructure. Irrigation subsidy is set to cover the expenditures on electricity used to activate the irrigation facilities, as well as other expenses of maintaining the equipment.

**Question 110.**

**Moldova includes tax exemptions granted to farmers in Table DS:7 (under livestock: reduction of land tax for insemination) and Table DS:9 (exemption from land tax, road and real estate tax). We do not believe these measures should be included in Moldova's calculations.**

Answer:

Moldova will take this into consideration while preparing the revised tables.

**Question 111.**

**In its responses to questions 44-46 in WT/ACC/MOL/8, Moldova provides useful information and policy description. Could Moldova please add this information (for example, the quantitative units of Moldovan Leu used) to the supporting tables on domestic support?**

Answer:

Moldova has submitted this information together with the presented offer in agricultural subsidies in September 1998. As a matter of clarification: the quantitative units used are in million leu.

With respect to question 45, we appreciate Moldova's provision of more information concerning the policies included in supporting table DS:1, but additional clarification is required.

**Question 112.**

**Specifically, please complete descriptions of *how* Moldova's policies operate and are implemented.**

Answer:

Moldova will submit shortly a description of its agricultural sector and governmental policies, including the summaries of the sectorial programs included in the agricultural offer.

**Question 113.**

**With respect to question 45(iv): Could Moldova please provide further clarification of "debt relief," which was provided to farms suffering income loss from disasters.**

Answer:

In the absence of any other financial resources to help the farms, one of the solution for the Government was to provide a scheme for debt relief that will compensate the expenditures made to recover from the damages suffered.

**Question 114.**

**Are the direct payments under this program made to offset income losses, or to write-off farm debts?**

Answer:

Direct payments under this program have been made to offset income losses.

**Question 115.**

**With respect to the response to question 45(v), it appears that expenditures made to the Republican Ecological Inspectorate and regional agencies of the Department of the Environment better fit under the category of General Services (par. 2), since they are not direct payments to producers. Could Moldova explain the function of Moldsilva (Forestry Agency)? We agree with Moldova's decision to remove expenditures for the Agency for Weather Forecasting and Monitoring from table DS:1.**

Answer:

The main responsibility of Moldsilva is the administration of the forests on the territory of the Republic of Moldova. All the expenditure made are aimed to cover basic infrastructure and works, including salaries, in this field.

Concerning expenditures made to the Republican Ecological Inspectorate and regional agencies of the Department of the Environment Moldova included them under the category of General Services while preparing the revised tables.

**Question 116.**

**We appreciate the information Moldova provides in response to question 46 concerning support programs for livestock producers in its response to this question. However, expenditures under the loan category should only reflect the subsidized component of these loans: for example, interest rate subsidies or deferrals in repayment. Please clarify how these loans are subsidized, and how this calculation is made for the livestock AMS.**

Answer:

Together with agricultural policy paper, Moldova will provide shortly the detailed information on the subsidized loans and the calculations for the livestock AMS.

**Question 117.**

**In its response to question 51, Moldova indicates that expenditures (or revenue foregone) in favor of primary agriculture were made in 1994. These data should be included in Moldova's next revision of its domestic support tables.**

Answer:

Moldova will present AMS table for 1994. However, Moldova presented its offer based on the period 1995-1997.

**V. TRADE RELATED INTELLECTUAL PROPERTY REGIME**

**1. General**

**(a) Intellectual property policy**

**Question 118.**

**We appreciate Moldova's information on TRIPS implementation. Is Moldova prepared to implement the Agreement from the date of Accession? If not, what specific areas require further work at this point, and what steps has Moldova taken to address the deficiencies?**

Answer:

Moldova is prepared to implement the Agreement from the date of Accession. A detailed program of specific legislation that is required to be implemented will be shortly presented to the Government for approval. This program foresees enactment of these laws no later than January 2000. English version of the program together with other legislation will be shortly submitted to the member countries for information and comments.

In the Republic of Moldova, as a result of judicial system reformation all the conditions for TRIPS provisions implementation were created.

Republic of Moldova, one of the first, have ratified on 28 January 1998 the Treaty on Copyrights and the Treaty on Interpretations and Phonograms adopted on 20 December 1996 by Diplomatic Convention.

The Decision of the Government of the Republic of Moldova N524 of 24 July 1995 established a transition period from administrative system to the administering system on the basis of collective principles of patrimonial rights of authors and related rights owners for a period of four years (1995-1998).

According to this Decision, besides State Agency for Copyrights of the Republic of Moldova was set up a Authors and Related Rights Owners Council which currently is performing several important activities: establishes the level of author remuneration, adopts samples for contracts and licenses regarding turning account of works, interpretations, phonograms etc., establishes the level of commission remuneration for collection, distribution and paying off the author remuneration services, controls the activity of Agency for paying off the author remuneration.

The organizational work is ongoing for setting up during 1998 a non-governmental organization to administrate on the basis of collective principles the patrimonial rights of the authors and related rights owners.



**(c) Membership of international intellectual property conventions and of regional or bilateral agreements**

**Question 119.**

**Please list and describe those obligations concerning intellectual property that the Republic of Moldova has assumed pursuant to its accession to the Eurasian Patent Convention.**

Answer:

All the provisions of the Eurasian Patent Convention are based on the provisions of the Paris Convention. In the case of any discrepancies between the provisions of the two conventions, priority shall be given to the provisions of Paris Convention. All CIS countries except Ukraine are members of Eurasian Patent Convention. Regarding Eurasian Patent Convention Moldova has no special obligations. Moreover, according to Article 1 of the Convention, of the provisions of this Convention shall not be interpreted as a limitation of the rights of any citizen of Paris Convention Member country or of any person living in this country.

**Question 120.**

**Are there specific obligations contained in bilateral agreements signed with countries of the former USSR in the sphere of protection of intellectual property that the Republic of Moldova does not wish to extend to other countries?**

Answer:

Bilateral agreements concluded by Moldova with former Soviet Republics does not stipulate any special obligations with regard to industrial property protection.

**(d) Application of national and m.f.n. treatment to foreign nationals**

**(e) Fees and taxes.**

**Question 121.**

**Re: question 58. Foreign applicants pay a different amount than domestic applicants. Does the Republic of Moldova believe that this different treatment is compatible with the national treatment provided for in article 2 of the Paris Convention for the Protection of Industrial Property, which is incorporated by reference in article 2.1 of the TRIPs Agreement? Does the Republic of Moldova envisage to eliminate this different treatment?**

Answer:

Moldova will shortly formulate proposals to amend existing legislation with the aim to eliminate any differences in national treatment with regard to fees and taxes paid by foreign and domestic applicants. These proposals will be shortly circulated to the member countries for comments.

**2. Substantive standards of protection, including procedures for the acquisition and maintenance of intellectual property rights**

**(a) Copyright and related rights**

**Question 122.**

**The Moldovan Government states that producers of phonograms and broadcasting organizations have the exclusive right to use a phonogram in any form. Does the right of a producer of a phonogram include the right to authorize or prohibit the direct or indirect reproduction of the phonogram and does the right of a broadcasting organization include the right to prohibit the reproduction of fixations?**

Answer:

The Law of the Republic of Moldova N293-XII on Copyrights and related rights (hereinafter the Law), article 28 on "the rights of a phonogram performer" stipulates the following:

The phonogram performer has the exclusive right to turn account in any way, including the right to get a pay for any type of turning account of the phonogram.

The exclusive right means the permission or interdiction for following actions:

- to reproduce the phonogram;
- circulation of phonogram copies (selling, renting etc.);
- modification or transformation in any way of the phonogram.

The Article 29 of the Law on "Rights of a broadcasting organization" stipulates the following:

- Radioelectronic and cable broadcasting organizations have the exclusive rights to turn any kind of accounts of broadcasting, including the right to get a pay for any kind of turning account of broadcasting.
- The exclusive right to turn account of broadcasting means the right for broadcasting organization to permit or interdict the performing of following actions:
  - to record the broadcasting
  - to reproduce the record of broadcasting

**Question 123.**

**Re: question 61. Please provide information on the restoration of protection for producers of sound recordings.**

Answer:

The Article 38 of the Law stipulates the following:

The owner of an exclusive copyright and related rights is allowed to ask from the person who committed a infringement:

- (a) recognition of his rights;
- to restore the situation before the infringement and stop infringing it or to create conditions for its infringement;
  - to recover the damage, including the lost revenue;
  - to collect the revenue of the person who has infringed the copyright and the related rights by using them illegally, instead of recovering losses;
  - to pay a compensation of 10 to 20,000 minimum salaries instead of recovering losses or collecting the revenue.

The judge is obliged to decide the sequestration and confiscation of the phonograms or works copies, which are supposed to be counterfeited and may take the decision to sequester or confiscate the materials and the equipment used for their counterfeiting.

The Customs Control Service is allowed to hold back the copies of works and phonograms introduced or taken out without license. In case these copies of works and phonograms were recognized to be counterfeited the judicial institution may apply with regard to the culprit any of the measures listed above (paragraph 1, letters c)-e)). Moreover, the present legislation established measures of criminal responsibility for the intentional infringement of copyrights and related rights, which caused considerable material damages.

**Question 124.**

**Does a performer have the possibility under Moldovan law to prevent the reproduction of a fixation of his/her unfixed performance when undertaken without the authorization of the performer?**

Answer:

Yes, he/she does. The Article 27 of the Law stipulates the following:

- The performer has the exclusive right to permit or interdict "fixing of his/her unfixed performance..."

**Question 125.**

**In its answer to question N° 167 (WT/ACC/MOL/4) reference is made to "industrial rights" and "trademarks". Could the Government of Moldova please provide complementary information with respect to copyright and related rights?**

Answer:

Article 51 of the Code on Administrative Infringements provides for fines of up to 30 times the minimum wage to a person committing an intentional infringement of a copyright or neighbouring rights for gain and having caused considerable prejudice to the holder of the right. In addition, Article 38(8) of the Copyright Law provides for confiscation of goods involved.

**(b) Trade marks**

**Question 126.**

**Does Moldovan legislation contain provisions to protect a well-known mark in cases where the goods or services are not similar to those in respect of which a trademark is registered, provided that the use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use?**

Answer:

The Law of the Republic of Moldova on trade marks, Art. 7(4)b regulates the protection of well-known marks indifferent of similarity of the goods or services.

**Question 127.**

**It appears that Moldovan legislation does not contain any provisions which extend Article 6bis of the Paris Convention to service marks and which comply with Article 14.3 of the TRIPs Agreement. If this understanding is correct, please explain when and how such a protection will be introduced into Moldovan legislation?**

Answer:

In conformity with Law N588/1995 art. 2(1), the definition of trade mark includes product mark as well as service mark. Therefore, in the Law the word "marcă" means both categories of marks.

**Question 128.**

**In its answer to question 74 (WT/ACC/MOL/8) the Government of Moldova states that "marks or appellations unlawfully affixed to products shall be removed". Article 46 of the TRIPs Agreement provides that in regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, [...]. Please explain.**

Answer:

Article 25, paragraph 2 of the Law on Trademarks and Appellations of Origin of products, provides the judicial courts with the possibility to act in respect to products with counterfeited marks in function of degree of injury that might be caused to consumers, including the fact that the simple removal of the mark does not exclude the possibility of misleading the consumers. In this case the products shall be destroyed.

**(c) Geographical indications**

**Question 129.**

**Does Moldovan law allow for the refusal or invalidation of the registration of a trademark which contains or consists of a geographical indication with respect to goods not originating in the territory indicated, if the use of the indication if the trademark for such goods in that Member is of such a nature as to mislead the public as to the true place of origin?**

Answer:

The registration of the trade mark which contains a geographical indication or consists of a geographical indication for the products which does not originate from the indicated territory, in case if the use of this indication for trade mark name is likely to create confusions for the consumer regarding the real place of origin, is not allowed on the basis of articles 7(2)a and 7(1)e of the Law on Trade marks N588/1995 if the sign which is to be registered consists exclusively of geographical indication, indifferent it creates confusions or not for the consumer, regarding the origin of the products.

**Question 130.**

**Could the Government of Moldova clarify whether protection is granted against a geographical indication which, although literally true as to the territory, region or locality in which the goods originate, falsely represents to the public that the goods originate in another territory?**

Answer:

Geographical indications which, although are not literally true as to the territory, region or locality in which the goods originate, and falsely represents that goods originate in another territory are not registered on the basis of 7(2)a of the Law on Trade marks N588/1995.

**Question 131.**

**Does the Government of Moldova intend to introduce specific provisions for the protection of geographical indications for wines and spirits along the lines of Article 23 of the TRIPs Agreement? If so, what is the time frame?**

Answer:

The Law of the Republic of Moldova on trade marks does not contain any special provision regarding geographical indications for wines and spirits, but in fact the provisions of articles 7(1)e, 7(2)a and 22e refers to the same extend to all products, including wines and spirits. For the future, by the end of 1998, the above mentioned provision will be included separately in the renewed version of the Law.

**Question 132.**

**Could the Government of Moldova please explain how homonymous geographical indications for wines are protected?**

Answer:

The homonymous geographical indications for wines are protected if authentic information regarding the origin of the product is provided.

**(e) Patents**

**Question 133.**

**Could the Government of Moldova explain whether the Law on Patents for Inventions contains any conditions for granting a compulsory license and government use which correspond to those set out in Article 31(a) to (l) of the TRIPs Agreement? Please explain.**

Answer:

The Law of the Republic of Moldova on Patents N461/1995 stipulates in article 33(4), the use of the patents by the State, being applied, respectively, the previous provisions of this article. Later on the Law will be modified, taking into account the provisions of Article 31 of TRIPs Agreement.

**Question 134.**

**Could the Government of Moldova please clarify whether the importation of a patented product fulfils the requirement of "working that patent"?**

Answer:

The Legislation of Moldova does not contain any provisions for checking the patent at the importation of a patented product.

**Question 135.**

**Please explain in detail the procedures which have to be followed by a patent holder in order to obtain the marketing approval for a pharmaceutical or agricultural chemical product.**

Answer:

In order to obtain the marketing approval for a pharmaceutical or agricultural chemical product a patent holder must comply with the provisions of the Law on Patent which stipulates that foreign importers of pharmaceuticals and agrochemical products importing to Moldova must fill an application at State Center for verification of biological and chemical products for protection and stimulation of plants growing.

**(g) Layout designs of integrated circuits**

**Question 136.**

**Please give an up-date on the works for a special law on the protection of topographies of integrated circuits.**

Answer:

Currently, the draft of the Law on the protection of topographies of integrated circuits has been submitted to the Government for approval which afterwards will be submitted to the Parliament.

**(h) Protection of undisclosed information**

**Question 137.**

**The Government of Moldova explains that the marketing of pharmaceutical and agricultural chemical products is subject to the approval by the Ministries of Health and Agriculture. How is data, which is submitted to obtain such an approval, protected against disclosure?**

Answer:

The information presented for approval to the Ministries of Health and Agriculture, other authorized organizations and which by the opinion of the applicant is a commercial secret, is protected according to the Law on Commercial Secret N171-XIII of 6 July 1994 by a written notification submitted to the institution which has asked for the information.

#### **4 Enforcement**

##### **Question 138.**

**In its answer to question 76 (WT/ACC/MOL/8) the Government of Moldova states that the draft law on border enforcement measures has been submitted to Parliament. Please give a further up-date on the state of play of the legislative process with respect to this law.**

Answer:

The respective proposals have been submitted to the ministries for examination and they will be as well circulated to member countries for comments.

##### **Question 139.**

**Do judicial authorities have the authority to order a party to desist from an infringement, *inter alia* to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods?**

Answer:

The judicial authorities, after the appellation of people whose rights were infringed, will undertake measures immediately after customs clearance of such goods according to Article 51 of Administrative Contravention's Code and Article 141 of Criminal Code.

##### **Question 140.**

**What specific remedies can be taken with regard to counterfeit trademark goods?**

Answer:

The authorized institutions have the right, according to Article 25(2) of the Law N588/1995 to liquidate the stock of counterfeited trade marks, including their removal from the products even this involves the destruction of these goods. By a panel court decision the good could be also destroyed.

##### **Question 141.**

**Could the Government of Moldova explain in detail the procedures for provisional measures?**

Answer:

According to present legislation, respectively Chapter 13, Articles 135-142 of Code of Civil Procedure, the judicial authority may undertake measures, if the participants at the dispute request so, to issue an injunction. The issue an injunction is permitted at any stage of the process. The infringement of stipulated interdictions is amended with a penalty of ten to twenty five minimum

salaries. The plaintiff has the right to ask the redress of damages caused by refusal of the issue of injunction. The application to issue an injunction shall be examined in the same day without notifying the person to whom the complaint is against. Regarding all the resolutions related to the issue of injunction an appeal could be initiated. In conformity with Article 142 the redress of damages caused to the person who was told on by the issue of injunction is permitted.

**Question 142.**

**Could the Government of Moldova explain in more detail the criminal procedures and penalties which are provided by Moldovan legislation in cases of trademark counterfeiting and copyright piracy? Do such measures include the seizure, forfeiture and destruction of infringing foods and of any materials and implements?**

Answer:

In case when a trade mark is counterfeited, according to Article 158 of the Criminal Code on administrative contravention, the culprit is amended with a penalty of 50 minimum salaries and respectively 25 minimum salaries with confiscation of the product which is subject of the infringement.

**VII. INSTITUTIONAL BASE FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES**

**1. Bilateral and plurilateral agreements relating to foreign trade in goods and trade in services**

**Question 143.**

**Has a decision on joining the Civil Aircraft Agreement now been taken? (Question 89)**

Answer:

Moldova did not take any decision to join Civil Aircraft Agreement so far. However, Moldova is ready to consider this matter after accession.

**Question 144.**

**We continue to seek a commitment from Moldova that it will join the WTO Agreement on Trade in Civil Aircraft upon accession and eliminate tariffs on imports of civil aircraft and parts.**

Answer:

In its revised tariff offer Moldova has eliminated tariffs on imports of civil aircraft and parts. Concerning the joining of the Agreement on Trade in Civil Aircraft this question will be discussed at one of the coming meetings of Interdepartmental Committee for coordination of Moldova's accession to WTO.

During the bilateral negotiations and presentation of the tariff offer Moldova has included in answer to question 91, Moldova states that it has taken no steps to "create favorable conditions for imports of textile products from the European Communities", as planned.



**Question 145.**

**Since replying to question 91 in October of 1997, has Moldova taken any such steps?**

Answer:

Since October 1997, Moldova has taken no steps to create favorable conditions for imports of textile products from the European Communities.

The information presented in the earlier documents concerning the current trade regime applied by Moldova to the commerce with these products is completely valid. Moldova permits duty-free import of raw material for textile and clothing products from the European Union, provided the finished products are subsequently exported to the European Union (inward processing). This regime applies to all countries.

**2. Economic integration, customs unions, free trade areas**

**Question 146.**

**Please provide information on each of Moldova's preferential agreements.**

Answer:

Although Moldova concluded a range of trade agreements with some other countries, these agreements do not provide for exemptions from mfn treatment. In addition Moldova will submit shortly information on each of such agreements in the format use in WTO Committee on Regional Trade Agreements.

ANNEX 1

Law on Customs Tariff

Law on Governmental Procurement

Law on Budget 1998

Governmental Decision nr. 777 of 13 August 1997 with subsequent amendments

Government Decision nr. 859 of 13 August 1998

Provisional Statute on Industrial Property Protection in the Republic of Moldova

Draft Law on Budget 1999

Draft Law on Certification

Draft Law on Anti-dumping, Countervailing Duties and Safeguard Measures

Agreement on the organizational basis of social-economical collaboration between the Republic of Moldova and Transnistria.

List of all types of activity needing license authorization

List of enterprises in which the State still owns over 25 per cent

Corrigendum to WT/ACC/SPEC/MOV/1/Rev.1

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