**The tax environment is subject to frequent changes**

Multinational companies and private entrepreneurs face a challenging global tax environment. Aggressive tax authorities around the world, state cooperation on exchange of information and state competition in collecting tax revenues has led to an increase in the number and magnitude of tax inspections, assessments and disputes with tax authorities.

The Republic of Moldova is no exception to these trends.

Once the **12% Corporate Income Tax** had been re-introduced, the Moldovan Tax Authorities (MTA) implemented a series of provisions to expand the tax base and to raise revenue to the state budget.

State responsibility to finance social activities has placed considerable pressure on the MTA, forcing them to reconsider the methods applied for ensuring collection of revenue to the budget and preventing erosion of the tax base. As a result, taxpayers have become subject to severe tax inspection and are being penalised for non-compliance with Tax law.

In addition to fines and penalties specified in the **Tax Code** (which may reach 100% of the unpaid tax) for non-compliance with Tax Law, fines may be assessed under the **Contravention Code** and the **Criminal Code**.

**How to face the challenges?**

Considering the frequent changes in the law, keeping current with amendments is essential. To face the challenges of a difficult environment and reduce the impact on your business, it is important to have the support of people with a broad experience in tax and legal consultancy.
How can PwC help you

Our team of consultants has a rich portfolio of companies, tax inspection support and assistance in judicial and extrajudicial disputes, having been involved in:

- dealing with complex issues in matters related to fiscal administration, including appeal processes;
- identifying and/or eliminating tax risks;
- identifying tax opportunities;
- advocating taxpayer rights in fiscal litigation.

Providing assistance during and after a tax inspection including:

- providing prompt assistance on issues tackled during the tax inspection;
- estimating risk levels;
- drafting supporting arguments and recommending solutions;
- drafting and submitting appeals against the inspection report;
- corresponding with the tax authorities during the appeal process.

The PwC tax and legal team in Moldova can assist your company in:

Performing independent tax reviews, i.e. analysis of a company’s operations within both the legal and international tax frameworks. This mainly includes the following:

- identifying and estimating tax-related risks;
- offering solutions on the optimisation of taxes and cash flow;
- reviewing the fiscal treatment applied to cross-border transactions;
- corresponding with the tax authorities on complex and contradictory matters;
- providing assistance in the refund process for VAT and other overpaid taxes.

Assistance in appealing against acts issued by the competent tax authorities, including:

- drafting and submitting documents appealing against tax authority decisions;
- representing and supporting the company’s position while the tax authorities examine the appeal;
- drafting and submitting claims for the annulment of tax authority decisions;
- representing and supporting the company (plaintiff) position in administrative courts during the hearing and appeal processes.

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