

# **New amendments to tax and customs legislation**

*6 Mai 2014*

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## ***In brief***

The Moldovan Authorities have published a new Law amending the fiscal and customs legislation.

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## ***In detail***

### **Tax Code**

#### **Income tax**

Under the new law, the income derived from delivery of raw milk by individuals, except individual entrepreneurs and farming enterprises, to other entrepreneurs, is now taxable.

#### **Value added tax (VAT)**

The recently published law confirms the application of the reduced 8% VAT rate on pytotechnical, horticultural and zootechnical products (livestock and slaughtered farm animals) ***grown/bred, imported and delivered*** within Moldova.

Certain tariff codes of **VAT-exempt goods** have been removed.

Payment deadlines are stipulated for VAT liabilities pertaining to financial and operational leases, as following:

- in case of delivery of goods and services, the date mentioned in the contract for leasing rate payment is considered the delivery date;
- in case of receiving the rate payment in advance the date of delivery is considered the date of receiving the rate payment in advance.

#### **Excise duties**

The excise rate for filter cigarettes containing tobacco has increased to MDL 75 lei+24% from MDL 45 +24%.

#### **Local taxes**

The concepts of maximum rate of local tax and social services have been removed.

Also, local tax for parking and tax for dog owners have been reintroduced and a sanitation tax imposed, specifying the subjects and objects of taxation. At the same time the tax for street trading and service delivery units has been repealed.

Local tax rates for 2014 will be reviewed and approved by the relevant local authorities within three months from the publication of the law.

## **Customs Code**

Holders of temporary admission permits that before 1 January 2014 introduced in the country goods which are subject to finance leases have, until 31 December 2014, the:

- right to place them under the customs import regime, provided that import duties are paid and the economic policy measures are applied;
- obligation to take them out from Moldova before the expiry of the temporary admission, but not later than 1 January 2015.

*[Source: Law no. 47 on amending and supplementing several items of law dated 27 March 2014, Monitorul Oficial, no. 99-102 (4738-4741) dated 25 April 2014]*

## ***The takeaway***

Under the recently published law amending the tax and customs legislation, the Moldovan Parliament regulates new types of taxable income, repeals / introduces several tax provisions of interest to taxpayers, applicable from the publication of this law.

## Let's talk

For a deeper discussion of how this new legislation might affect your business, please contact:



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