Amendments to tax legislation and other normative acts

4 October 2019

In brief
Laws significantly amending tax and customs legislation, and other normative acts have been published.

In detail

Income tax
Individuals whose taxable annual income (except for the income provided under Tax Code art. 901) exceeds MDL 360,000 will not be able to benefit from the personal allowance. Individuals who do benefit from the personal allowance will have to file a personal income tax return, by excluding respective allowance and recomputing of the due personal income tax.

Resident and non-resident individuals who do not perform entrepreneurial activities will have to recognise for tax purposes capital gains as 50% of the difference between the sale proceeds and the asset basis value.

The withholding tax on payments made to individuals in accordance with art. 90 of the Tax Code has been increased from 7% to 12%.

Lottery and / or sports betting winnings are to be considered non-taxable income only up to 1% of the personal allowance for each win.

Value added tax (VAT)
The VAT rate for accommodation and catering services has been increased from 10% to 20%.

Individuals will have to pay VAT on goods imported by mail deliveries in B2C (business to consumer) commercial transactions. The provision will apply to goods of a commercial nature exceeding the quantitative limits established by the law or that have an intrinsic value exceeding EUR 200 per delivery.

The definition of "intrinsic value" representing the actual value of the goods placed on the territory of the Republic of Moldova will be introduced. The intrinsic value does not include transport, insurance and other related costs.

Tax administration
As of 6 September 2019, the prohibition on performing tax inspections for the periods preceding 1 January 2018 has been repealed.

Payment for environmental pollution
The tax rates have been significantly increased for goods that produce environmental pollution when used.

Excise duties and Customs tariff law
Individuals will have to pay excise duties and customs duties for goods imported by mail deliveries in B2C (business to consumer) commercial transactions. The provisions will apply to goods of a commercial nature exceeding the quantitative limits established by the law and that have an intrinsic value exceeding EUR 200 per delivery.

Meal tickets
Employers will have to determine and pay social security contributions for meal tickets granted to employees.

The value of the meal tickets established by the legislation does not include the individual compulsory social security contribution.

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Regulation on delegation of Republic of Moldova entities' employees

As of 27 September 2019, employees leaving for business trips on a non-working holiday day will be granted a day off on their return from the business trip.


Takeaway

The significant amendments to tax and customs legislation, and other normative acts, will enter into force on 1 January 2020, with some exceptions.
Let’s talk

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

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