

AUTONOMOUS TERRITORIAL FORMATION OF
GAGAUZIA (GAGAUZ ERI)

LAW No. 73

**ABOUT
INVESTMENTS**



GAGAUZ YERİN AVTONOM BÖLGESİ
UNITATE TERITORIALĂ AUTONOMĂ GĂGĂUZIA
AUTONOMOUS TERRITORIAL FORMATION OF GAGAUZIA (GAGAUZ ERI)

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ABOUT INVESTMENTS

This law regulates relations related to regional investments in the ATU Gagauzia (Gagauz Yeri), and defines the legal and economic framework for stimulating regional investments, guarantees the protection of the rights of regional investors when making regional investments in the ATU Gagauzia, determines measures to support regional investments by public authorities, procedure resolution of disputes with the participation of regional investors.

Chapter I
GENERAL PROVISIONS

Article 1. Basic terms

This law uses the following basic terms:

regional investment– a set of values (assets) invested in any business activity on the territory of ATU Gagauzia in order to generate income, including on the basis of a financial leasing agreement, which contains an obligation to purchase an asset, approaching the terms of the leasing agreement;

Council for the Promotion of Regional Investment Projects (further Investment Advice) is a permanent collegial body under the Head of ATU Gagauzia, created to determine policy and coordinate activities to attract and place investments in the territory of ATU Gagauzia;

regional investment project– a project implemented on the territory of the ATU Gagauzia, the total volume of regional investments of which is at least 1,000,000 (one million) lei and ensures the financial participation of the regional investor in the amount of at least 25% of the necessary costs at its own expense;

the total volume of regional investments is reviewed annually at the suggestion of the Executive Committee of Gagauzia when the People's Assembly of Gagauzia approves the budget of Gagauzia for the next year;

regional investor– an individual or legal entity registered and carrying out investment activities on the territory of ATU Gagauzia;

investment preferences –targeted benefits provided in accordance with the legislation of the ATU Gagauzia to regional investors implementing a regional investment project and provided for a period of no more than five years;

regional investment agreement - an agreement on the implementation of a regional investment project between a regional investor and the Executive Committee of Gagauzia, which provides for the implementation of regional investments and the provision of regional investment support measures, including investment preferences;

investment subsidy- type of budget subsidy provided as an investment preference to a regional investor who has concluded a regional investment agreement for the implementation of a regional investment project;

working investment program– an appendix to the regional investment agreement, defining the work schedule for the implementation of the regional investment agreement and the implementation of the regional investment project, as well as the main production indicators of the project after the production is put into operation.

Article 2. Legislation of ATU Gagauzia on investments

(1) Investment legislation is based on Constitution of the Republic of Moldova, the law of the Republic of Moldova “On the special legal status of Gagauzia (Gagauz Yeri)”, the law of the Republic of Moldova “On investments in business activities”, the Code of Gagauzia (Gagauz Yeri) and consists of this law and other regulatory legal acts of the ATU Gagauzia.

(2) This law does not regulate relations related to:

- a) implementation of regional investments from budget funds;
- b) investing capital in non-profit organizations, including for educational, charitable, scientific or religious purposes.

(3) Relations related to the attraction by a regional investor of foreign labor under a concluded regional investment agreement are regulated by current legislation.

(4) If an international treaty ratified by the Republic of Moldova establishes rules other than those contained in this law, then the rules of the international treaty apply.

Article 3. Subjects of investment activities

(1) Subjects of investment activity are regional investors, customers, performers of work, users of objects of investment activity and other participants in the investment process.

(2) Subjects of investment activities can be individuals and legal entities, including foreign ones.

Article 4. Objects of investment activity

(1) Regional investors have the right to make regional investments in any objects and types of business activities, except for cases provided for by legislative acts.

(2) The rights and obligations of regional investors in relation to objects and types of business activities in which regional investments are made are established by this law, other legislative acts of the Republic of Moldova, ATU Gagauzia and relevant agreements.

Chapter II.
LEGAL REGIME OF REGIONAL INVESTMENTS

Article 5. Guarantee of legal protection of the activities of regional investors in the territory of ATU Gagauzia

(1) The regional investor is provided with complete and unconditional protection of rights and interests, which is ensured by the Constitution of the Republic of Moldova, the law “On the special legal status of Gagauzia (Gagauz Yeri)”, the law of the Republic of Moldova “On investments in business activities”, the Code of Gagauzia, this law and other regulatory legal acts, as well as international treaties ratified in the manner prescribed by law.

(2) A regional investor has the right to compensation for damage caused to him as a result of the issuance by state bodies of acts that do not comply with current legislative acts, as a result of illegal actions (inactions) of officials of these bodies.

(3) The Autonomous Territorial Entity of Gagauzia guarantees the stability of the terms of concluded regional investment agreements, with the exception of cases when changes to the agreements are made by agreement of the parties.

(4) These guarantees do not apply in the event of changes in the legislation of the Republic of Moldova and (or) entry into force and (or) changes in international treaties to which the Republic of Moldova is one of the parties.

(5) The application of the guarantee of legislative stability is canceled in the event of early termination of the regional investment agreement in the manner established by this law.

(6) If, during the term of the regional investment agreement, legislative and/or regulations are adopted that worsen the position of the regional investor in such a way that he is deprived of what he had the right to count on when concluding the agreement, the parties may change the terms of the agreement in order to ensure property interests of the regional investor existing on the day of conclusion of the agreement.

(7) The provisions of paragraph (6) do not apply if changes are made to technical regulations or normative acts governing relations in the field of protection of subsoil resources, the environment and the health of citizens.

(8) Regional investments may not be expropriated or subjected to other similar measures that directly or indirectly deprive a regional investor of the right to property or the right to control a regional investment, except as provided by applicable law.

Article 6. Guarantees for the use of income

Regional investors have the right, at their own discretion, to use the income received from their activities after paying taxes and other obligatory payments to the budget in accordance with the current legislation.

Article 7 Transparency of the activities of local public administration body in relation to regional investors and ensuring access to information

(1) Information (official) messages of local public authorities and regulatory legal acts affecting the interests of regional investors are published in the manner prescribed by law.

(2) Regional investors are provided with free access to information that is related to their investment activities and does not contain commercial or other secrets protected by law.

Article 8. Control over the activities of regional investors

Control over the activities of regional investors is carried out within the limits of current legislation.

Chapter III COMPETENCY OF BODY ALLOWED POWERS TO ENFORCE THE LAW

Article 9. Development and implementation of policies in the field of regional investment activities in ATU Gagauzia

(1) The policy in the field of regional investment activities in the ATU Gagauzia is developed by the Executive Committee of Gagauzia and approved by the People's Assembly of Gagauzia.

(2) The executive body authorized to implement regional investment policy and coordinate activities to attract regional investments in ATU Gagauzia is the Executive Committee of Gagauzia. The sectoral department responsible for implementing regional investment policy and coordinating activities to attract investments is the General Directorate of Economic Development and Tourism of Gagauzia (hereinafter referred to as GUED&T), the functioning of which is regulated by the Regulations approved by the resolution of the Executive Committee of Gagauzia.

(3) In the process of developing and implementing the policy of ATU Gagauzia in the field of supporting and subsidizing regional investment activities, the Executive Committee exercises the following powers:

a) proposes to the People's Assembly the approval of the financial resources necessary to implement the policy of supporting and subsidizing regional investment activities, as well as the amount thereof;

b) approves the procedure, procedure and conditions for requesting and providing measures of support and subsidies for regional investment activities;

c) predicts and identifies sources of financing for the Entrepreneurship Support Fund and/or the Development Fund of Gagauzia;

d) develops and approves criteria for selecting regional investment projects;

e) carries out, through GUED&T or other public body, monitoring the implementation of regional investment projects and taking measures related to their implementation, in accordance with the Regulations on the procedure for developing, concluding and monitoring the implementation of regional investment agreements on regional investment projects.

Article 10. Council for the promotion of regional investment projects

(1) In order to implement regional investment projects in ATU Gagauzia that have a positive impact on the economy and ensure stable socio-economic development of ATU Gagauzia, a Council for the Promotion of Regional Investment Projects (hereinafter referred to as the Investment Council) is being formed under the Executive

Committee of Gagauzia. The procedure for organizing the activities of the Investment Council is established by the Regulations approved by the Executive Committee of Gagauzia.

(2) The main functions of the Investment Council are:

- a) selection and approval of a list of regional investment projects;
- b) assessment of applications for the provision of measures to support regional investment projects, including investment preferences;
- c) making fundamental decisions on the advisability of concluding regional investment agreements for regional investment projects, according to the criteria provided for by the Regulations on the procedure for developing, concluding and monitoring the implementation of investment agreements for regional investment projects;
- d) presenting proposals for amendments to legislation related to stimulating the influx of direct foreign and national strategic investments into the economy of ATU Gagauzia, as well as eliminating barriers to investment activities.

(3) In order to perform its functions, the Investment Council has the right:

- a) request and receive from government bodies information necessary to carry out their activities;
- b) create temporary working groups consisting of specialists with a high level of professional training from public authorities, enterprises and non-governmental organizations, which should contribute to the successful implementation of investment and business activities;
- c) hear from persons holding responsible positions on issues within the competence of the Investment Council.

(4) The Investment Council is headed by the Head (Bashkan) of Gagauzia (Gagauz Yeri), Chairman of the Council. Members of the Investment Council are heads of sectoral public administration body and regulatory bodies that participate in the development and promotion of the economic policy of Gagauzia and provide control.

Article 11. Powers of the General Directorate of Economic Development and Tourism of Gagauzia in the field of regional investment policy

(1) The General Directorate of Economic Development and Tourism of Gagauzia implements laws and regulations adopted by the People's Assembly of Gagauzia, regulations and orders of the Head (Bashkan) of Gagauzia (Gagauz Yeri) and resolutions of the Executive Committee of Gagauzia related to regional investment policy and coordination of activities to attract investments in ATU Gagauzia.

(2) The main functions of the GUED&T in the field of the regional investment policy of Gagauzia are:

- a) development of policy documents, draft normative act, including for ensuring the execution of resolutions and orders of the Head (Bashkan) of Gagauzia (Gagauz Yeri) and resolutions of the Executive Committee of Gagauzia in the field of regional investment policy of Gagauzia, in cooperation with relevant representatives of civil society and business circles ;

b) monitoring the perception of citizens and economic agents of public policies, regulations and state activities in the field of investment policy of ATU Gagauzia and developing proposals for their improvement;

c) monitoring the quality of public policies and regulations in the field of investment policy of ATU Gagauzia, including in cooperation with civil society and the private sector;

d) cooperation with specialized organizations of the Republic of Moldova and other countries in accordance with the legislation;

e) development and presentation of budget proposals in the field of regional investment policy of ATU Gagauzia, development of an annual activity plan, as well as annual monitoring of the level of their implementation through the development and publication of relevant reports;

f) creation of a Working Group on regional investment projects, in accordance with the Regulations on the procedure for developing, concluding and monitoring the implementation of investment agreements on regional investment projects;

g) notifying the Competition Council of intentions to provide state aid or change the existing aid in accordance with the law;

h) implementation of other specific functions in accordance with the regulations approved by the Executive Committee.

(3) In the performance of its functions, the GUED&T shall exercise the following powers:

a) consider, in accordance with the procedures and regulations approved by the Executive Committee of Gagauzia, applications submitted by applicants for the provision of investment preferences or other measures to support regional investment activities, accompanied by packages of requested documents, as well as their eligibility for receiving support from ATU Gagauzia;

b) provides promotion, communication, information and control for the proper implementation of regional investment projects;

c) develops guidelines for investors on procedures for each measure to support regional investment activities.

d) monitors the implementation of the regional investment agreement.

Article 12. Agency for attracting investments and promoting exports of ATU Gagauzia

(1) The Agency for Attracting Investments and Promoting Exports of the ATU Gagauzia (hereinafter referred to as the Investment Agency) is a public institution operating in accordance with the regulations approved by the Executive Committee of Gagauzia.

(2) The Investment Agency performs the functions of attracting regional investments, supporting regional investment activities, as well as post-investment support for investors in accordance with regulations adopted by the People's Assembly and the Executive Committee of Gagauzia.

Chapter IV.

INVESTMENT AGREEMENTS FOR REGIONAL DEVELOPMENT

Article 13. Regional investment agreement

(1) The Executive Committee of Gagauzia, within its competence, may conclude regional investment agreements on the implementation of regional investment projects for which investment preferences are provided in accordance with this law.

(2) The Executive Committee of Gagauzia adopts a resolution on the conclusion of a regional investment agreement and sends it for consideration to the People's Assembly of Gagauzia. The People's Assembly of Gagauzia makes an appropriate decision within 30 calendar days from the date of registration.

(3) The criteria for determining and selecting regional investment projects, the procedure for developing (including structural elements), concluding and monitoring the implementation of regional investment agreements, as well as the rights and obligations in relation to regional investments are established by the Regulations on the procedure for developing, concluding and monitoring the implementation of regional investment agreements on regional investment projects approved by the Executive Committee of Gagauzia.

(4) Regional investment agreements concluded by the Executive Committee of Gagauzia cannot provide the investor with tax and customs benefits not provided for by law, nor contain provisions that violate the rights of other economic entities operating on the territory of the Republic of Moldova.

Article 14. Procedure for concluding a regional investment agreement

(1) The procedure for concluding a regional investment agreement is initiated at the request of a potential or existing investor in the territory of ATU Gagauzia.

(2) The procedure for concluding regional investment agreements is established by the Regulations on the procedure for the development, conclusion and monitoring of the implementation of regional investment agreements for regional investment projects and includes the following steps:

a) acceptance of the application and package of requested documents and registration in the prescribed manner by GUED&T;

b) examination of the application and the package of requested documents by the Working Group on Regional Investment Projects;

c) assessment of the application and package of requested documents and selection of regional investment projects by the Investment Council;

d) conclusion of a regional investment agreement by the Executive Committee of Gagauzia.

(3) An application for concluding a regional investment agreement is considered depending on its complexity, the volume of investment for which the conclusion of a regional investment agreement is requested within a period not exceeding 120 working days from the date of registration of the application and the package of requested documents. In difficult cases, the period may be extended by 10 working days with a written notification of the applicant.

(4) Examination of the regional investment project and local control is carried out by the Working Group on regional investment projects, established on the basis of the order of the head of the GUED&T from representatives of the GUED&T, the

Investment Agency and other administrative body, whose competence includes the field of activity relating to the regional investment project.

(5) The applicant for the conclusion of a regional investment agreement is obliged to provide information and documents requested by the Working Group on regional investment projects during the examination and inspections within 10 days. In case of refusal to provide the requested information and documents, the Working Group has the right to reject the application for the conclusion of a regional investment agreement, informing the applicant about this.

(6) Based on the examination report and documents provided by the applicant when submitting the application and during the examination process, the Investment Council evaluates the application and selects a regional investment project and makes a fundamental decision on the advisability of concluding a regional investment agreement.

(7) The Executive Committee of Gagauzia concludes a regional investment agreement with the applicant, whose application received a positive result during the assessment and selection by the Investment Council, after the relevant decision has been made by the People's Assembly of Gagauzia.

Article 15. Rights and obligations of the investor in the process of considering an application for concluding a regional investment agreement

(1) Applicants for the conclusion of a regional investment agreement have the following rights:

- a) use in full information support regarding the conditions for supporting regional investment activities;
- b) submit applications for concluding regional investment agreements before starting work on the investment project;
- c) promptly receive information about the stages of consideration of applications and shortcomings found in the documentation submitted for concluding a regional investment agreement;
- d) be present during inspections with a visit to the object of investment activity at various stages of consideration of the application for concluding a regional investment agreement;
- e) familiarize with the documents in GUED&T related to the process of consideration of the submitted application;
- f) provide explanations based on the results of the checks carried out at various stages of consideration of the application;
- g) use other rights provided by law.

(2) Applicants for concluding a regional investment agreement are required to:

- a) before starting work on a regional investment project, submit an application for concluding a regional investment agreement with supporting documents in the prescribed manner and within the established time frame;
- b) provide conditions for the proper conduct of inspections by authorized representatives of state bodies, including access to places and premises where a regional investment is or will be carried out - the object of a regional investment

agreement, to legal, financial, technical documents underlying the implementation and development of this investment;

c) fulfill other obligations prescribed by law.

(3) Applicants who intentionally provided false data when concluding a regional investment agreement or allowed the alienation of the investment object, write-off, in violation of the established deadlines, as well as entered into the process of reorganization, liquidation or insolvency, are obliged to immediately return investment preferences, if any were provided for on the basis of a regional investment agreement.

Article 16. Rights and obligations of a regional investor on the basis of a regional investment agreement

(1) The obligations of a regional investor that are included in a regional investment agreement must include:

1) compliance with the deadline for the implementation of the regional investment project;

2) compliance with the established parameters of the regional investment project approved by the regional investment agreement;

3) use of the regional investment object according to its intended purpose;

4) maintenance of the regional investment object in accordance with best practices in the relevant field in order to ensure environmental protection;

5) preventing the alienation of a regional investment object during the term of the regional investment agreement, as well as after the execution of the regional investment agreement for at least five years in the case of large enterprises, and at least three years in the case of small and medium-sized enterprises;

6) compliance throughout the entire established period of the regional investment agreement with the obligations, eligibility conditions and evaluation criteria that served as the basis for the provision of investment preferences and the conclusion of the regional investment agreement, including:

a) create additional jobs in accordance with the working investment program;

b) establish and review annually the level of average monthly wages not lower than the average monthly wages prevailing in the relevant sector of the economy of ATU Gagauzia;

7) submission of reports on the progress of the implementation of the regional investment project during the validity period of the regional investment agreement and on the fulfillment of obligations under it in accordance with the procedure and frequency established in the agreement;

8) compliance with the legislation of the Republic of Moldova and the normative acts of Gagauzia during the implementation of the regional investment project.

Article 17. Actions of the Executive Committee of Gagauzia on the basis of a regional investment agreement

In order to reduce investment risks, stimulate the industry in which the regional investment project is being implemented, support relevant entities or facilitate the implementation of the regional investment project, the Executive Committee of

Gagauzia may, on the basis of a regional investment agreement, assume the following obligations:

- 1) provision of investment preferences, including subsidies, in accordance with this law;
- 2) provision of administrative support in interaction with local public authorities during the implementation of the regional investment project;
- 3) measures of a regulatory nature, namely:
 - a) promoting policies that do not worsen the position of the regional investor during the term of the regional investment agreement;
 - b) cancellation, within its competence, of regulations that are detrimental to the activities of a regional investor, unless this contradicts the law or other regulations of higher legal force.

Article 18. Monitoring the implementation of the regional investment agreement

(1) Monitoring of the implementation of the regional investment agreement is carried out by the Executive Committee of Gagauzia through the GUED&T.

(2) Monitoring involves control of compliance with the terms of the regional investment agreement, the implementation of the regional investment in accordance with the business plan and working investment program, as well as compliance with other conditions and obligations arising from the regional investment agreement.

(3) Based on the results of monitoring, a report on the results of control is drawn up, which is subsequently sent to the Council for the Promotion of Regional Investment Projects.

(4) GUED&T constantly monitors the implementation of all regional investment agreements concluded by the Executive Committee of Gagauzia, and the implementation of regional investment projects for which these agreements are concluded.

Article 19. Reports of the regional investor on the implementation of the regional investment agreement

(1) The regional investor submits a report on the implementation of the regional investment project and the implementation of the regional investment agreement to the GUED&T. The frequency of submission of reports is established in the regional investment agreement, however, it must be at least once a year.

(2) The report contains information on the level of implementation of the regional investment project, including in comparison with the business plan and working investment program, on the level and procedure for fulfilling obligations assumed on the basis of the regional investment agreement, on the level and procedure for implementing measures provided for by the regional investment agreement, on the financial statements of the enterprise and the economic results of the regional investment project for the reporting year, including investments made.

(3) Attached to the report on the implementation of the regional investment project and the implementation of the regional investment agreement is a report on the audit of financial statements (which includes information on the implementation of the

regional investment agreement), carried out in accordance with the provisions of the Law of the Republic of Moldova No. 271/2017 on the audit of financial statements.

Article 20. Termination of the regional investment agreement

(1) The regional investment agreement terminates:

1) upon the expiration of the period for which it was concluded or extended, as the case may be, or

2) ahead of schedule:

a) unilaterally, in the event of a significant failure to fulfill obligations stipulated by the regional investment treaty, as well as in other cases provided for by law or the regional investment treaty;

b) by agreement of the parties.

(2) Based on the decision of the Executive Committee of Gagauzia, the regional investment agreement can be terminated unilaterally in the following cases:

a) significant failure to fulfill obligations by a regional investor under a regional investment agreement;

b) failure to provide reports on the implementation of the regional investment agreement two times in a row;

c) changes in the intended purpose of property acquired in accordance with the working regional investment program;

d) alienation of property acquired in accordance with the working regional investment program;

e) in other cases established by law or regional investment treaty.

(3) Investment preferences granted on the basis of a regional investment agreement terminate immediately, without the need for a special decision, in the following cases:

a) termination of the regional investment agreement on the basis of which they were provided;

b) initiation of reorganization, liquidation or insolvency proceedings of a regional investor or entrepreneur who is implementing a regional investment agreement on the basis of which they were granted;

c) death or recognition as missing, declaration of death of an individual entrepreneur with whom a regional investment agreement was concluded, on the basis of which they were provided.

(4) After the termination of the regional investment agreement, the implementation of the regional investment project may continue in accordance with the general provisions of the Law of the Republic of Moldova No. 81/2004 “On Investments in Entrepreneurial Activities”, this law and other relevant regulations.

Article 21. Disputes related to the conclusion, execution and termination of a regional investment agreement

(1) Complaints, petitions, requests for information or clarification, as well as disputes regarding regional investment agreements concluded by the Executive Committee are considered by GUED&T.

(2) Disputes arising between the parties to the regional investment agreement and arising from its terms are resolved by mutual agreement. If the dispute is not resolved peacefully, it is referred to the competent court of the Republic of Moldova or, by mutual agreement of the parties, to the International Commercial Arbitration at the Chamber of Commerce and Industry of the Republic of Moldova. Representation of the Executive Committee in courts and arbitration institutions is carried out in accordance with the Regulations on the procedure for representing state interests in courts and in national and international arbitration institutions, approved by Decree of the Government of the Republic of Moldova No. 764/2012.

Chapter V **SUPPORTING REGIONAL INVESTMENTS**

Article 22. Purpose of supporting regional investments

(1) The purpose of supporting regional investments in the ATU Gagauzia is to create a favorable investment climate for economic development and stimulate regional investors in the creation of new, expansion and renovation of existing production facilities, the provision of services using modern technologies, advanced training of personnel, as well as environmental protection.

(2) Support for regional investments consists of providing measures to encourage and support investments, as well as investment preferences in accordance with the legislation of the Republic of Moldova, this law, as well as other regulations of the ATU Gagauzia.

Article 23. Measures to encourage and support regional investment activities in ATU Gagauzia

(1) Investors who carry out regional investment activities on the territory of ATU Gagauzia are subject to measures to encourage investment activities in accordance with the legislation of the Republic of Moldova, this law, as well as other regulations of ATU Gagauzia, subject to compliance with the framework established by the Law of the Republic of Moldova No. 139 dated 06/15/2012 “On state assistance” and the Resolution of the Plenum of the Competition Council of the Republic of Moldova No. NSS02/2020 dated 10/15/2020 “On approval of the Regulations on the assessment of state assistance for regional development”.

(2) The following measures to encourage and support regional investment activities may be applied to entrepreneurs implementing regional investment projects approved in accordance with this law:

1) provision of investment preferences on the basis of regional investment treaties or on other grounds provided by law, in the form of:

a) investment subsidies;

b) transfer for temporary use of the property of ATU Gagauzia in accordance with the legislation of the Republic of Moldova and regulations of ATU Gagauzia;

c) providing tax benefits for local taxes and fees;

2) provision of consulting services to support the implementation of regional investment projects;

3) other measures to encourage and support regional investment activities established by the legislation of the Republic of Moldova and regulations of the ATU Gagauzia.

Article 24. The right to use the property of ATU Gagauzia in regional investment projects

(1) The property of ATU Gagauzia can be transferred for temporary use to entrepreneurs for the implementation of regional investment projects on the basis of regional investment agreements, public-private partnership agreements or property rental in accordance with the legislation of the Republic of Moldova, this law and regulations of ATU Gagauzia. The provision of property of the ATU Gagauzia for temporary use on the basis of a regional investment agreement is carried out taking into account the provisions on the transfer for temporary use of public property provided for by the legislation of the Republic of Moldova and the regulations of the ATU Gagauzia.

(2) The acquisition of property of ATU Gagauzia, necessary for the implementation of regional investment projects, by entrepreneurs is carried out in accordance with the Law of the Republic of Moldova on the management of public property and its denationalization No. 121 of 04.05.2007.

Article 25. Tax benefits

(1) Entrepreneurs who implement regional investment projects on the territory of ATU Gagauzia are provided with tax benefits established in accordance with the regulations of the Republic of Moldova.

(2) Authorized bodies of local public administration may provide investors with benefits and exemptions from paying local taxes and fees, depending on the capabilities of the relevant administrative-territorial unit in accordance with current legislation.

(3) Benefits for local taxes and fees may be established annually by representative bodies of local public administration when approving the relevant budgets in the form of reducing tax rates in accordance with current legislation.

Article 26. Investment subsidy

(1) The investment subsidy is free of charge, provided from the Entrepreneurship Support Fund and/or the Development Fund of Gagauzia to support investments aimed at economic growth or having a positive impact on the sustainable socio-economic development of the ATU Gagauzia, meeting the eligibility criteria in accordance with this law.

(2) The investment subsidy is provided by reimbursing the actual costs of construction and installation work and the purchase of equipment, excluding value added tax and excise taxes, on the basis of supporting documents, but not exceeding the cost of the costs provided for by the project documentation, which has the conclusion of an examination report of the regional investment project . Refunds are made in the following order:

a) for actual costs from 1,000,000 (one million) lei to 2,000,000 (two million) lei, 10% is reimbursed;

b) with actual expenses from 2,000,000 (two million) lei to 3,000,000 (three million) lei, 20% is reimbursed;

c) for actual costs of 3,000,000 (three million) lei or more, 30% is reimbursed, but not more than 5,000,000 (five million) lei.

(3) An investment subsidy may also be provided for the creation of infrastructure necessary for the implementation of a regional investment project (connection of electrical, gas and other utilities communications, construction of access roads, construction of buildings and structures, etc.).

Article 27. Sources of financing and procedure for distribution of investment subsidies

Investment subsidies provided for by this law are provided from the Entrepreneurship Support Fund and/or the Gagauz Development Fund.

Article 28. Eligibility criteria for investors and investments to receive an investment subsidy

(1) The right to receive an investment subsidy is granted to business entities registered in accordance with the legislation of the Republic of Moldova, which meet the following criteria:

a) are registered in the territory of ATU Gagauzia and their investments correspond to the goals and directions of action for the relevant support measures in the territory of ATU Gagauzia,

b) are based on a business plan and a working investment program, with the help of which they can demonstrate the feasibility of the regional investment project being implemented,

c) at the time of submitting an application for concluding a regional investment agreement, they have no arrears in paying taxes and fees to the national or local public budgets,

d) confirm the implementation of the regional investment with the relevant primary accounting documents (invoices, payment orders, commissioning certificates, contracts for the supply of technological and production equipment, customs declarations, etc.),

e) meet other criteria provided for by the Regulations on the procedure for developing, concluding and monitoring the implementation of investment agreements on regional investment projects.

(2) The following are not an eligible investment and, accordingly, are not subject to subsidies:

a) property acquired from affiliated persons, according to the definition provided for in Art. 203 of the Civil Code of the Republic of Moldova;

b) equipment obtained through grant funds or other state/public subsidy programs;

c) the grant amount, which is deducted from the eligible regional investment amount to calculate the subsidy;

d) acquired property that was used, with the exception of small and medium-sized enterprises;

- e) acquired real estate;
- f) value added tax;
- g) bank commissions, costs of bank guarantees and similar expenses;
- h) foreign exchange costs, fees and losses associated with foreign exchange;
- i) payments during transactions for the exchange of goods (barter), as well as compensation transactions and assignment agreements.

Article 29. Procedure for considering applications for subsidies

Consideration of applications for investment subsidies is carried out by GUED&T in accordance with the provisions of this Law and the procedure established by the Regulations on the procedure for developing, concluding and monitoring the implementation of investment agreements on regional investment projects.

Article 30. Conclusion of a regional investment agreement and granting permission to pay investment subsidies

(1) The Executive Committee of Gagauzia concludes a regional investment agreement with the applicant for investment subsidies in accordance with this law.

(2) The Executive Committee of Gagauzia decides to give permission for the payment of an investment subsidy based on the results of the implementation of the investment program by signing an additional agreement to the regional investment agreement. This additional agreement is the basis for transferring the amount of the investment subsidy to the recipient's account and for establishing a schedule for the payment of annual shares of the investment subsidy.

(3) Payment of the investment subsidy is carried out after the commissioning of production in full, subject to the performance indicators established by the regional investment agreement.

(4) In accordance with the working investment program, the annual volumes of investment subsidy payments are established by distribution in equal shares within 3 (three) years after the execution of the regional investment agreement, depending on the actual volume of investments made and the profitability of the regional investment project.

Article 31. Monitoring compliance with the terms of regional investment agreements

(1) Control over compliance with the terms of regional investment agreements is carried out by the authorized body in the following forms:

- a) desk control - control carried out by the authorized body based on the study and analysis of reports submitted in accordance with paragraph 2 of this article;
- b) with a visit to the object of regional investment activity, including the consideration of documents on the execution of the work program and the terms of the regional investment agreement.

(2) After concluding a regional investment agreement, the regional investor submits to the Executive Committee of Gagauzia, in the form established by the authorized body, semi-annual and annual reports on the implementation of the regional investment agreement no later than August 1 and April 1, with a breakdown of the cost

items provided for by the working investment program, with with attached documents confirming the commissioning of fixed assets, supply and use of spare parts for process equipment, raw materials and (or) supplies.

(3) Changes to the working investment program may be made by agreement of the parties.

(4) An inspection with a visit to the object of regional investment activity is carried out at least once a year.

(5) Based on the results of the inspection, the representative of the authorized body and the regional investor who has concluded a regional investment agreement sign, in the form established by the authorized body, an act of the current state of implementation of the work program of the regional investment agreement.

(6) In case of non-fulfillment or improper execution of the working investment program of the regional investment agreement, the authorized body sends a written notice to the regional investor registered in ATU Gagauzia and who has concluded the regional investment agreement indicating the violations and sets a two-month period for eliminating the violations.

(7) After completion of the implementation of the working investment program, the regional investor, registered in the ATU Gagauzia and who has concluded a regional investment agreement, submits to the authorized body a report on the audit of financial statements, which must contain:

a) information on the fulfillment of investment obligations in accordance with the working investment program;

b) decryption of fixed assets acquired in accordance with the working investment program;

c) a consolidated register of documents confirming the implementation of the working investment program;

d) information on the fulfillment of the terms of the regional investment agreement.

Article 32. Refusal to provide investment preferences

Refusal to provide investment preferences to regional investors in the following cases:

a) in case of submission of an incomplete package of documents for consideration by the Investment Council;

b) those who have overdue wages for more than three months;

c) having arrears in paying taxes and fees to budgets and state extra-budgetary funds;

d) those who have not restored budget funds under fulfilled guarantees from the state;

e) being in the stage of reorganization, liquidation or bankruptcy in accordance with the legislation of the Republic of Moldova;

f) in the event that a regional investor implement investment activities outside the ATU Gagauzia.

Article 33. Suspension of investment activities

(1) The decision to suspend investment activities is made by the regional investor or the People's Assembly of Gagauzia at the request of the Executive Committee of Gagauzia.

(2) The public authorities of Gagauzia may suspend investment activities in the following cases:

- a) natural and other disasters, catastrophes;
- b) introducing a state of emergency;
- c) if the continuation of investment activities may lead to a violation of environmental, sanitary and hygienic and other norms and rules established by law, the rights and interests of citizens, legal entities and the state protected by law.

(3) The procedure for compensation of damage to participants in investment activities in these cases is determined by the current legislation.

Article 34. Cancellation of investment preferences

(1) Investment preferences are terminated upon expiration of the regional investment agreement, or may be terminated before the expiration of such period in the manner prescribed by this article.

(2) Investment preferences may be terminated early:

- a) by agreement of the parties;
- b) unilaterally.

(3) Investment preferences are unilaterally canceled by the People's Assembly of Gagauzia at the request of the Executive Committee of Gagauzia in the following cases:

a) initiation of insolvency or bankruptcy proceedings of a regional investor - a legal entity or individual entrepreneur, death, recognition as missing, declaration of death of a regional investor - an individual;

b) non-compliance or improper compliance by the regional investor with its obligations under the regional investment agreement;

c) failure to submit reports two times in a row in accordance with Article 21 of this law;

d) changes in the intended purpose provided for temporary use of the property of ATU Gagauzia, as well as the alienation of property acquired in accordance with the working investment program.

(4) If there is one of the grounds listed in part (3) of this article for the cancellation of investment preferences, the authorized body sends a letter to the regional investor about the need to submit documents justifying the reasons for non-compliance with the terms of the regional investment agreement and the provisions of this law.

(5) If documents are not submitted by the regional investor within 2 (two) months from the date of receipt of the letter, the authorized body sends to the Executive Committee of Gagauzia a proposal to cancel the investment preferences provided to the regional investor.

(6) The proposal of the authorized body is considered at the meeting of the Executive Committee of Gagauzia. As a result of consideration, the Executive Committee of Gagauzia may agree with the proposal of the authorized body and apply

to the People's Assembly of Gagauzia to cancel the investment preferences granted to the regional investor, or refuse. A representative of the regional investor is necessarily invited to the meeting of the Executive Committee of Gagauzia.

(7) Simultaneously with the application to the People's Assembly of Gagauzia, the Executive Committee of Gagauzia sends a notice to the regional investor about the termination of the regional investment agreement unilaterally after 10 days from the date of the decision of the People's Assembly of Gagauzia to cancel the investment preferences.

(8) The petition of the Executive Committee of Gagauzia for the annulment of investment preferences is considered by the People's Assembly of Gagauzia within 30 days from the date of receipt of the petition. A representative of the regional investor is required to be invited to the meeting.

(9) The People's Assembly of Gagauzia may decide to cancel investment preferences or refuse to satisfy the application with a reasoned decision. The decision of the People's Assembly of Gagauzia is adopted according to the procedure provided for the adoption of resolutions.

Article 35. Consequences of cancellation of investment preferences

(1) In the event of early termination of a regional investment agreement and cancellation of investment preferences, the regional investor pays the amount of the received investment subsidy and local tax benefits reimbursed from the budget as a result of the investment preferences provided.

(2) In case of early termination of a regional investment agreement, the regional investor returns the property received for temporary use as an investment preference.

(3) The return of state property by the regional investor is carried out within 10 calendar days after the unilateral termination of the regional investment agreement by the Executive Committee of Gagauzia. The agreement with local public authorities on the transfer of land to a regional investor is terminated unilaterally.

Chapter VI.

FINAL AND TRANSITIONAL PROVISIONS

Article 36. Entry into force of the law

(1) This law enters into force from the day of its publication in the official bulletin of Gagauzia "Ekspres-Kanon".

(2) From the date of entry into force of this law, the law of the ATU Gagauzia No. 24-XV/II of December 26, 2000 "On investments and investment activities" with subsequent amendments and additions and the resolution of the People's Assembly of Gagauzia No. 108-XV/ II "On the entry into force of the law "On investments and investment activities of ATU Gagauzia".

**Governor (Bashkan)
Gagauzia (Gagauz Yeri)**

Irina Vlah