

Amended rules on dormant entrepreneurs

20 July 2016

In brief

The Law on state registration of legal entities and individual entrepreneurs has been amended and supplemented covering provisions on dormant legal entities and dormant individual entrepreneurs.

In detail

The concept of “dormant legal entity” has been amended. It now means that an entity, within 12 months as of registration or during the last three years, meets the following cumulative criteria:

- Has not filed the tax return forms as provided by law;
- Has not carried out operations through any bank account;
- Is not a founder of another legal entity and has not established any subsidiaries nor representative offices;
- Has no debts to the national state budget;
- Has not registered as a VAT taxpayer; and
- Has not registered cash registers with fiscal memory with the State Tax Service.

The concept of “dormant individual entrepreneur” has been introduced.

Lack of cash registers with fiscal memory has been introduced as one of the cumulative criteria for default removal of a dormant legal entity / dormant individual entrepreneur from the State register.

Default removal also applies to legal entities which / individual entrepreneurs who filed for removal to the state registration authority and meet the criteria of dormant legal entity / dormant individual entrepreneur. It does not apply if the tax return forms confirming development of business activity have been filed as required by law.

The Main State Tax Inspectorate is required to submit quarterly to the state registration authority information about dormant legal entities / dormant

individual entrepreneurs. Such information is used in taking decisions on their removal from the State register.

[Source: Law no. 138 dated 17 June 2016 amending and supplementing certain legislative acts, Official Gazette 184 – 192 (5617 - 5625) dated 1 July 2016].

The takeaway

The concept of “dormant legal entity” has been amended and the concept of “dormant individual entrepreneur” has been introduced.

Lack of cash registers with fiscal memory has been introduced as one of the cumulative criteria for default removal from the State register.

The amendments entered into force on 1 July 2016.

Let's talk

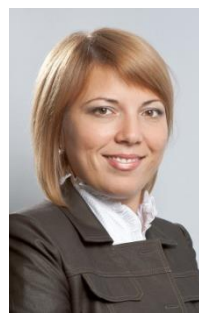
For a deeper discussion of how this new legislation might affect your business, please contact:



Mihaela Mitroi
Partner
mihaela.mitroi@ro.pwc.com



Ionut Sas
Partner
ionut.sas@ro.pwc.com



Tatiana Stavinschi
Manager
tatiana.stavinschi@ro.pwc.com

PricewaterhouseCoopers Moldova
37, Maria Cibotari Street
Chisinau, Republic of Moldova
Tel: + (373 22) 25 17 00
Fax: + (373 22) 23 81 20

This Tax & Legal Alert is produced by PwC Moldova Tax and Legal Department.

Legal Disclaimer: The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

© 2016 PwC. All rights reserved. "PricewaterhouseCoopers" and "PwC" refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it inspect the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it inspect the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.