



---

# **Registering an NGO in the Republic of Moldova: a quick guide**

---

**March 2022**



## General remarks

Under the Moldovan law, the NGOs (non-commercial and non-governmental organizations) are legal entities whose main purpose is other than obtaining income and are, mainly, regulated by the provisions of the Law on Non-commercial Organizations No.86/2020.

## Establishing the local presence of a foreign NGO in the Republic of Moldova

If a foreign NGO intends to have a local presence (e.g. to have an office, hire personnel which will perform activities on the territory of the Republic of Moldova, to undertake import or export operations, etc.), then the foreign NGO is required to be duly registered in the Republic of Moldova.

A foreign NGO may register in the Republic of Moldova:

- a **Moldovan NGO**, as a separate legal entity or
- a **branch office**.

The Moldovan NGO may take the form of:

- a **foundation** – non-member entity, established by one or more persons, endowed with a distinct patrimony and separate from that of the founders, designated to achieve the non-commercial purposes provided in the act of incorporation. The supreme governing body of the foundation is the Board;
- an **association** – a membership-based entity, founded and managed by its members, in order to achieve the non-commercial purposes for which it was established. The supreme governing body of the association is the General meeting of the members;
- a **private institution** – an entity founded and controlled by a single person for the achievement of non-commercial purposes, partially or fully financed by it. The supreme governing body of the private institution is the founder.

Unlike any above-mentioned form of a Moldovan NGO, the branch office is not considered a legal entity, but is merely a subdivision of the foreign NGO. However, this difference shall not affect the right of the branch office to have the same rights and obligations as a Moldovan NGO (except the differences described in the next section).



**Branch office and Moldovan NGOs: main advantages and disadvantages**

As noted above, due to the fact that a branch office is not considered a legal entity, there are some differences between the status of a branch office and a Moldovan NGO. Due to these differences, the advantages and disadvantages of creating a Moldovan NGO or a branch office in Moldova, are the following:

	<b>Moldovan NGO</b>	<b>Branch office</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• is exempted from corporate income tax (CIT);</li> <li>• can be registered as public utility entity (PUE), entitled to:               <ul style="list-style-type: none"> <li>- get public funding – max. 2% from the Moldovan residents’ CIT,</li> <li>- use public property free of charge or on preferential terms;</li> <li>- contract public works and services;</li> </ul> </li> <li>• no state fees for the registration of the NGO; and</li> <li>• the founders/members are not liable for the NGO’s obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• is <u>likely</u> to be exempted from CIT (need official confirmation from Moldovan Tax Service);</li> <li>• is <u>likely</u> to get registered as PUE (need official confirmation from Moldovan Tax Service);</li> <li>• urgent registration process available;</li> <li>• upon liquidation, the branch assets may be freely transferred to the foreign NGO.</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• longer registration process;</li> <li>• upon liquidation, the NGO assets shall be transferred to another NGO with the same purposes (i.e. can’t be transferred to the founder).</li> </ul>	<ul style="list-style-type: none"> <li>• uncertainty as to CIT regime and PUE status (see above);</li> <li>• state fee for the registration; and</li> <li>• the foreign NGO may be held liable for the obligations of the branch.</li> </ul>

**Set-up of a branch office**

❖ A branch office may be created upon submission of an application with the Public Services Agency. Before submitting the application, the foreign NGO shall clear up and decide on:



- the identity of the branch office's Director (one or several, he/she can be a resident or a non-resident);
  - the legal address of the branch (it can be an office located in Moldova or a mailbox provided by local service providers of secretarial services).
- ❖ The registration application is usually accompanied by the following documents:
- a) regulation of the branch;
  - b) resolution on incorporation of the branch, issued by the foreign NGO;
  - c) the document confirming the foreign NGO's identifying information (country of registration, headquarters, registration number, authorized representatives) and its act of incorporation (Charter, Articles of Association, etc.);
  - d) financial statements of foreign NGO, according to the last reporting period;
  - e) confirmation of the availability of the name of the subsidiary (to be obtained in advance by a local representative); and
  - f) an ultimate beneficial owner (UBO) declaration, issued by the foreign NGO.
- ❖ The application may be submitted by a representative, under a power of attorney issued by the foreign NGO.
- ❖ All of the above documents need to be drafted in Romanian or, if are drafted in another language, shall be translated into Romanian.
- ❖ Documents issued in other country than Moldova may need to be apostilled or super-legalized (depending on the country of issuance, based on the bi-/multi-lateral treaties to which the Republic of Moldova is a party).
- ❖ Time to process the application: normal regime – 3 business days from the date of submission; urgent regime – 4 hours.
- ❖ Registration fees: normal regime – ca. USD 100; urgent regime: ca. USD 250.

### **Set-up of a Moldovan NGO**

- ❖ A Moldovan NGO may be created upon submission of an application with the Public Services Agency. Before submitting the application, the foreign NGO shall clear up and decide, especially, on:
- the identity of the NGO's Director or of the members of the Executive Board (they can be residents or non-residents);
  - the legal address of the NGO (it can be an office located in Moldova or a mailbox provided by local service providers of secretarial services); and
  - the legal form and name of the Moldovan NGO.



- ❖ The registration application is usually accompanied by the following documents (the list will depend also on the form of the Moldovan NGO which is intended to be created):
  - a) charter of the Moldovan NGO;
  - b) resolution on incorporation of the Moldovan NGO, issued by the foreign NGO;
  - c) the document confirming the foreign NGO's identifying information (country of registration, headquarters, registration number, authorized representatives) and its act of incorporation (Charter, Articles of Association, etc.);
  - d) confirmation of the availability of the name of the Moldovan NGO (to be obtained in advance by local representative);
  - e) document confirming the headquarters of the Moldovan NGO (lease agreement, confirmation letter from the owner, etc.); and
  - f) UBO declaration, issued by the foreign NGO.
  
- ❖ The application may be submitted by a representative, under a power of attorney issued by the foreign NGO.
- ❖ All of the above documents need to be drafted in Romanian or, if are drafted in another language, shall be translated into Romanian.
- ❖ Documents issued in other country than Moldova may need to be apostilled or super-legalized (depending on the country of issuance, based on the bi-/multi-lateral treaties to which the Republic of Moldova is a party).
- ❖ Time to process the application: 15 calendar days from the date of submission.
- ❖ Registration fees: no state fees shall apply.

### **Functioning of a branch office and Moldovan NGO**

After registration of the branch office or the Moldovan NGO, the following mandatory actions are required to be undertaken to make them fully functional:

- 1) open a bank account – a fairly simple procedure, it may take up to 5 business days, depending on the identity and complexity of the group of entities/persons that are controlling the Moldovan entity. Besides opening a bank account in Moldovan lei, depending on the specifics of the entity, it may request from the banks to open accounts in foreign currencies (e.g. Euro and USD).

The list of the Moldovan banks can be found on the National Bank of Moldova's website: <https://www.bnm.md/en/content/authorized-banks-republic-moldova>; and



- 2) hire an accountant or contract an accounting company – any Moldovan resident (branch of Moldovan NGO) is required to draft and submit several monthly or annual tax fillings and financial statements, in accordance with the methodical guidelines approved by the Ministry of Finance. So, if the Directors of the Moldovan NGO or of the branch do not have basic accounting skills, it is highly recommended that starting from day one of their operation, the NGO and the branch are assisted by an accountant or accounting company.



**Irina Sugoneaco, Senior Associate**  
[irina.sugoneaco@gladei.md](mailto:irina.sugoneaco@gladei.md)



**Pavel Spatari, Associate**  
[pavel.spatari@gladei.md](mailto:pavel.spatari@gladei.md)

**Gladei & Partners**

Chisinau, MD-2012, 63 Vlaicu Pârcălab street, Skytower, suite 10D

Tel: +373 22 240 577

e-mail: [office@gladei.md](mailto:office@gladei.md)

[www.gladei.md](http://www.gladei.md)