

**LAW OF THE REPUBLIC OF MOLDOVA
on free economic zones**

No. 440-XV from 27.07.2001

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The Parliament adopts the present organic Law.

ARTICLE 1. General Provisions

(1) The free economic zones (free enterprise zones), hereinafter named as free zones are parts of the customs territory of the Republic of Moldova, separate from the economic point of view, strictly delimited on their whole perimeter, in which certain types of entrepreneurial activity are permitted, in a preferential regime, for the domestic and foreign investors.

(Par. 1 of article 1 redacted by the Law No.594-XV from 01.11.2001)

(2) The borders of the free zones are assimilated with the customs borders of the Republic of Moldova. The territory of the free zones must be isolated from the rest of the country by a secure enclosure. The guard of the free zones' borders shall be ensured by the State safeguard authorities of the Republic of Moldova, based on the contracts concluded by them with the Administration of the respective zone. The system of authorized passing of the free zone's borders, of which manner of functioning is set by a decision of the Government, shall be applied for physical persons and transport means.

(Par. 2 of article 1 redacted by the Law No. 594-XV from 01.11.2001)

(3) The free zones shall be created aiming the acceleration of the social and economic development of certain territories and of the country as a whole by:

- a) attracting domestic and foreign investments;
- b) implementing the modern technique and technology;
- c) developing the export-oriented production;
- d) applying the advanced experience in the field of production and management;
- e) creating working places.

(4) Preferential regimes of stimulating the entrepreneurial activity shall be accorded to the free zones, aiming the realization of assumed objectives. The modifications of the regime and the implementation manner of the entrepreneurial activity in a free zone shall be possible by introducing modifications in the present Law only.

(5) The free zone can be comprised from several subzones. The regimes and the manner of implementation of the entrepreneurial activity and the management are identical in all the subzones.

ARTICLE 2. Certain Definitions

In the light of the present Law, the following definitions shall mean:

subzone – a part, territorially isolated from the rest of the free zone;

authorization for carrying out a certain type of activity – written permission, issued by the Administration of the free zone to the resident of such zone for a definite period of time for carrying

out the type of activity permitted in the respective zone and provided into the contract concluded between the Administration and the resident;

development of the free zone's infrastructure – construction and reparation of buildings and installations, construction of roads, installation and organization of water, electricity, gas supply, installation of telecommunication networks and organization of telephonic communications and other such works (services) on the territory of the free zone, which the Administration of the free zone considers to be favorable for the zone's development and functioning;

fixed assets – production buildings and constructions, warehouses, land plots, technical installations, equipment, including stationery items and machines, except for the means of passengers' transport, utilized in process of implementation of the entrepreneurial activity in the free zone.

ARTICLE 3. Applicable Right

(1) On the territory of the free zone shall act the:

- a) international agreements to which the Republic of Moldova is a party;
- b) legislation of the Republic of Moldova;
- c) normative acts of the Government;
- d) normative acts of the Administration of the free zone, adopted within the limits of its competence, which do not contravene with the present Law.

(2) The drafts of normative acts of the public administration authorities that will regulate the activity of free zones shall be subject to an obligatory expertise at the Ministry of Economy and at the National Agency for Competition Protection.

(3) The investments on the territory of the free zone shall benefit of the legal protection of the State. The regime of the investment and entrepreneurial activity in the free zone can not be less favorable than the regime set for the economic agents carrying out their activity on the other side of the customs territory of the Republic of Moldova.

(4) The assets from the free zones can not be expropriated, nationalized, requisitioned and confiscated, except by the decision of court only.

(5) After settling the taxes, fees and other payments provided by the legislation, the foreign investors shall be guaranteed with the right to transfer outside the Republic of Moldova the sums in foreign currency, obtained by them as profit (dividends), the ones resulting for the integral or partial sale of goods belonging to them or of the shareholdings (share) of the resident-enterprise, as well as from the liquidation or reorganization of the enterprise in the manner set by the legislation.

(6) The free zones are demilitarized territories. The production, transportation and keeping weapons, as well as dislocation of military units shall be prohibited in such zones.

(7) The activities prohibited by the legislation of the Republic of Moldova or by the international agreements to which the Republic of Moldova is a party shall not be admitted in free zones.

(8) The State shall not bear responsibility for the commitments of the Administration of the free zone and of the residents of such zone, and the Administration and residents – for the commitments of the State.

ARTICLE 4. Creation of Free Zones

(1) The free zone shall be created, at the proposal of the Government, by a Law, adopted by the Parliament in accordance with the present Law, which will delimit in this purpose a part or several parts of the territory of the Republic of Moldova. The borders and the configuration of the respective zone shall be strictly defined in the Law.

(2) The Government shall elaborate the general conception of the free zone's creation and development.

(3) Initiators of the free zone's creation can be the central and local public administration authorities, the economic agents and various organizations that will submit the corresponding proposals.

(4) The proposals on the creation of the free zones shall comprise:

- a) the creation purposes, the types of entrepreneurial activity and functional orientation of the free zone;
- b) feasibility study regarding the opportunity of the free zone's creation;
- c) draft of the layout of the free zone, coordinated with the corresponding authorities of the central and local public administration.

(5) The feasibility study regarding the opportunity of free zone's creation shall comprise the:

- a) delimitation of the zone's borders;
- b) complex characteristic of the social and economic potential of the territory, including of the production, commercial and social infrastructures, as well as of the economic relations with international markets;
- c) underpinning the possibility of realization of the permitted types of activity;
- d) indication of the degree of load with specialists;
- e) draft of the economic mechanism of operation;
- f) underpinning the stages and terms of the free zone's creation;
- g) amount of necessary investments, evaluation of the sources and efficiency thereof;
- h) calculation of the foreseen inflow of currency collections in the free zone.

(6) The free zones can be created on territories not occupied with buildings, as well as on the base of certain enterprises, institutions and organizations.

(7) The free zones can not be created on the base of enterprises of strategic importance or which carry out or could carry out an efficient economic activity without the creation of such zones.

(8) Until the decision on the proposal of a free zone creation is adopted, the expertise on the opportunity of such zone creation shall be implemented, being ensured by the Ministry of Economy, together with the National Agency for Competition Protection.

(9) When implementing the expertise, the following factors shall be taken into consideration:

- a) approximate cost of creation and maintenance of the free zone;
- b) advantage for the national economy from a such zone's functioning;
- c) social and economic situation and the utilization degree of the workforce in the region where the creation of the free zone is planned;
- d) closeness of the given free zone to other free zones;
- e) number of free zones already existing in the country.

(10) The proposal on creating a free zone can be approved in case if the expertise sets that the creation thereof will substantially improve the situation in national economy and that the respective improvement can be obtained in this way only.

(11) In case when the proposal on creating a free zone is accepted, the Ministry of Economy will submit for approval to the Government the corresponding draft law.

(12) The free zone shall be considered as created after the entering into force of the corresponding Law.

ARTICLE 5. Administration of the Free Zones

(1) For the administration of the free zone, within 30 days from the entering into force of the Law on the creation thereof, the Government shall form a State authority – the Administration of the free zone, hereinafter named as the Administration, with the status of legal person and carrying out its activity on self-financing principles. The seat of the Administration shall be situated on the territory of the free zone.

(2) The Administration shall comprise a principal administrator, appointed into his position by the Government on the basis of a contract concluded for a five-year term. The principal administrator shall bear responsibility for the Administration's activity, for ensuring the guard of the free zone's borders and the observance of the system of authorized passing. The functions, rights and obligations of the principal administrator shall be set in the contract concluded between the latter and the Ministry of Economy. The principal administrator is a public official and the provisions of the Law on public service shall be extended on him.

(3) The coordination and control of the activity of the free zones shall enter into the Government's attribution, being carried out through the State authorities authorized by it. The activity of the Administration shall be subject to an annual audit.

(4) The main sources of revenues of the Administration shall be the:

- a) payments and fees collected for the participation in the contests for obtaining the right to be resident of the free zone and for the registration as their residents, as well as for the issuance of authorizations for the corresponding types of activity in the respective zone;
- b) zonal payments and fees set by the Administration;
- c) revenues from renting assets and land plots;
- d) voluntary contributions of the free zone's residents for the development of the infrastructure thereof;
- e) donations;
- f) other revenues connected with the implementation of its functions.

(5) The structure and the amount of authorizations accorded to the Administration shall be set by the present Law and other normative acts adopted in accordance with it.

(6) The Administration shall fulfill the following main attributions:

- a) coordinate the activity of creation of the productive and non-productive infrastructure of the free zone;
- b) maintain in working condition the systems of electricity, water and thermal energy supply on the territory of the free zone;

- c) organize contests for obtaining the right to be resident of the free zone and register the residents, issue them the authorizations for carrying out concrete types of entrepreneurial activity in the respective zone;
- d) ensure the maintenance in proper condition of the enclosures and constructions along the perimeter of the free zone, fulfill the control on the observance of the authorized system of passing the free zone's borders;
- e) elaborate and ensure the implementation of the complex development program of the free zone and environmental protection;
- f) set, with the agreement of the Ministry of Economy, zonal payments and fees;
- g) collect from the residents of the free zone the renting payment and other payments provided by the present Law;
- h) control the manner in which the residents of the free zone observe the contracts concluded with it, as well as the legislation, sanitary and hygienic norms and rules;
- i) cooperate with the Customs Department aiming to ensure the observance of the customs legislation.

(7) The Administration shall coordinate its activity with the local public administration authorities regarding answering the social and ecological issues and the issues referring to the development of the free zone's infrastructure.

(8) The Administration's decisions, adopted within the limits of its competence, shall be obligatory to be executed for all the residents of the free zone.

(9) The Administration shall determine, in accordance with the legislation, the manner of renting land plots, the manner of granting the rights to use the natural resources, as well as the buildings, constructions and fixed assets belonging or transmitted for use to the Administration. The rights and obligations of the Administration in the field of utilization of land plots shall be regulated by the legislation on land.

(10) The Administration shall not have the right to interfere with the economic activity of the free zone's residents, if such activity does not contravene with the legislation and the contract concluded between the Administration and the resident.

(11) The Administration of the free zone, the principal administrator and other workers of the Administration shall not have the right to carry out entrepreneurial activity on the territory of the free zone, as well as to participate directly or indirectly at the formation of equity capital of the legal persons carrying out their activity on the territory of the respective zone.

(12) The labor remuneration of the Administration's workers shall be implemented in accordance with the legislation.

(13) The Administration shall implement in the set manner, the accounting and statistic management of its activity. The principal administrator shall systematically submit the Ministry of Economy with reports on the activity carried out in the free zone. The Ministry of Economy shall set the form and terms of submission of the reports.

ARTICLE 6. Residents of Free Zones

(1) Any physical or legal person registered, in the manner set by the legislation, as a subject of entrepreneurial activity of the Republic of Moldova shall be considered resident of the free zone, hereinafter named as resident.

(2) The selection of residents shall be implemented by the Administration on a contest basis, taking into consideration the amount and character of foreseen investments, the necessity of creation of a zone's productive and non-productive infrastructure, the maintenance of the free zone oriented to fabrication of the industrial production for export, the free territory and land plots, the ensuring with workforce, water, energetic resources and other criteria.

(3) The enterprises, on which base the free zone is created, shall be obliged, within one month, to register as residents.

(4) The manner of implementation of contests in free zones shall be set by the regulation on contests, approved by the Government.

(5) The selection conditions for residents, as well as the determination criteria for winners of contests shall be set by the principal administrator together with the Ministry of Economy.

(6) The physical or legal person, who obtained the right to be registered as a resident, shall conclude with the Administration a contract for carrying out entrepreneurial activity in the free zone. The contract shall be concluded for all the activity period in the respective zone.

(7) In the contract there shall be indicated:

- a) the authorized type of activity;
- b) the rights and obligations of the resident and of the Administration;
- c) the economic project to be implemented in the free zone and the foreseen parameters thereof;
- d) the size of zonal payments and of renting payments and fees;
- e) the facilities accorded to the resident by the Administration;
- f) the types of reports submitted by the resident;
- g) the responsibilities of the parties, in case of infringement of contractual requirements;
- h) other aspects, in accordance with the agreement between the parties.

(8) A fee in the size set by the Administration with the agreement of the Ministry of Economy shall be collected for the registration as a resident.

(9) Within 15 days from the registration of the resident, the Administration shall submit copies of the registration decision to the local public administration authority and to the respective fiscal, statistic and customs authorities.

(10) The following types of activity can be carried out in the free zone:

- a) industrial production of goods for export;

(Item a) of paragraph 10 redacted by the Law No. 594-XV from 01.11.2001)

- b) sorting, packaging, labeling and other similar operations with goods transited through the customs territory of the Republic of Moldova;

(Item b) of paragraph 10 redacted by the Law No. 594-XV from 01.11.2001)

- c) other auxiliary types of activity, as public service, warehousing activity, constructions, catering etc., necessary for carrying out the activities indicated in items a) and b).

(Item c) of paragraph 10 redacted by the Law No. 594-XV from 01.11.2001)

(11) The industrial production shall be the priority type of activity.

(12) The amount of goods (services), previously imported or produced in the free zone, which are realized by the resident on the rest of customs territory of the Republic of Moldova, may not exceed 30 percent from the total amount of realization of goods (services) during one year.
(Par. 12 of article 6 redacted by the Law No. 594-XV from 01.11.2001)

(13) The coming-out of alcoholic production from the free zone to the rest of the customs territory of the Republic of Moldova, the import of tobacco and tobacco items from the free zone and the fabrication of such products in the free zone shall be prohibited. The record and labeling of the alcoholic production shall be implemented in accordance with the legislation.
(Par. 13 of article 6 redacted by the Law No. 594-XV from 01.11.2001)

(14) The residents shall carry out the activities stipulated in paragraph (10) on the basis of the separate authorization for every type of activity, issued by the Administration on the basis of the contract concluded by them in accordance with the regulation approved by the principal administrator together with the Ministry of Economy.

(15) The authorization for carrying out the activity in the free zone shall not exempt the resident from the obligation to obtain also other licenses (authorizations) provided by the legislation.

(16) The authorization, provided by paragraph (14), shall be issued, as usual, for the validity term of the contract concluded between the resident and the Administration. The authorization issued for the resident can be withdrawn or its effect can be suspended in case when the latter does not fulfill the conditions of the contract or the requirements of the legislation.

(17) The carrying out of entrepreneurial activity in the free zone by physical or legal persons which are not registered as residents or which do not have the authorization necessary for such an activity shall be prohibited and shall entail the responsibility provided by the legislation.

(18) The Administration shall have the right to afford the non-residents to carry out works for the development of the free zone's infrastructure on its territory.

(19) The residents shall be obliged to declare the goods only at the customs service supervising the activity of the respective free zone.

(20) The residents can be divested from their statute of resident, by nullifying the registration, in case of:

- a) non-fulfillment of conditions of the contract concluded between them and the Administration;
- b) infringement by them of the legislation or of the requirements set by the Administration within the limits of its competence;
- c) existence of falsified data in the documents submitted by them to the Administration;
- d) non-settlement of the debts to the obligatory zonal payments and fees;
- e) carrying out the entrepreneurial activity without the respective authorizations
– after the expiry of 3 months from the date of receipt of the notification about the committed infringement.

(Par. 20 of article 6 redacted by the Law No. 594-XV from 01.11.2001)

(21) The residents, in the manner set by the legislation, can appeal in competent courts the actions of the Administration, including the ones regarding the withdrawal of the authorization or suspension of the activity, as well as regarding the withdrawal of the resident statute.

(22) The sizes of fees for issuance of authorizations shall be set by the Administration with the agreement of the Ministry of Economy.

(23) The resident shall keep, in the set manner, the accounting and statistic record of his activity, systematically submit the Administration with the reports on the activity carried out in the zone. The form and terms of reports' submission shall be set by the Administration.

(24) The record of the entrepreneurial activity carried out by the resident within the free zone must be kept separately from the record of the activity carried out by him outside the respective zone.

(25) The control of the residents' activity shall be implemented through:

- a) planned controls – not frequenter than once during one calendar year, by all control authorities concomitantly;
- b) non-planned controls – if there is at least one from the following circumstances:
 - infringement of the terms set for submission of the fiscal, statistic or zonal reports or unauthentic data comprised in such reports;
 - registration of complaints or other written petitions regarding the infringement by the resident of the legislation;
 - there are sufficient grounds to consider that the actions of the resident contain elements of an offence;
 - the Administration has sufficient grounds to consider that the resident infringes the contract concluded by them or the legislation on the free zones.

(26) All the controls on the territory of the respective free zone shall be implemented with the agreement of the Administration and in presence of its representatives and of the resident, on behalf of which the complaint was submitted or of which activity constitutes the ground for control implementation.

(27) The provisions of paragraph (26) shall not be extended on the controls implemented by the customs service.

(28) The National Bank of Moldova shall implement, within the limits of its competence, the control of the residents' activity in accordance with the Law on the National Bank of Moldova.

ARTICLE 7. Customs Regime

(1) The customs regime on the territory of free zones shall be ensured by the customs service of the Customs Department, of which activity, under the organizational aspect, is coordinated with the Administration.

(2) Within one month from the date of entering into force of the Law on creation of a free zone, the Customs Department shall elaborate the regulation of the customs service in the respective zone, the mechanism and mode of technical ensuring of its operation, shall submit proposals to the Government on the number of personnel and the financing of the activity of the said service.

(3) The regime of obligatory customs declaration of goods (services) imported into and exported from the territory of free zones shall be set in the free zone's territory.

(4) The regime of contingency and licensing the import and export of goods (services) shall not be applied on the territory of the free zones.

(5) Shall be exempted from the import and export payments, except for the payment for customs procedures, the:

- a) goods (services) introduced into the free zone from the rest of the customs territory of the Republic of Moldova;
- b) goods (services) imported into the free zone from outside the customs territory of the Republic of Moldova, as well as from the territory of other free zones;
- c) goods (services), including the ones originating from the free zone, exported outside the customs territory of the Republic of Moldova, as well as to the territory of other free zones.

(6) The goods integrally produced or integrally processed in the free zone shall be considered as originating from such zone, if:

- a) the change of the goods' position (of the classification code of goods) occurred in the list of goods at the level of one from the first four signs; or
- b) the cost of declared goods being exported exceeds the cost of goods introduced into the free zone because of the increase with 35 percent of the amount of own expenditures.

(7) The provisions of customs legislation, in the part referring to the content of the import compound shall be extended on the goods (services) which have not been sufficiently processed in the free zone, at their export from the zone into the rest of customs territory of the Republic of Moldova.

(8) The motor cars imported on the territory of the free zone for the necessities of the Administration and of residents shall be taxed in accordance with the law on taxation.

(9) The introduction on the territory of the free zone of goods and other objects shall be prohibited in case when their commercialization is prohibited by the legislation of the Republic of Moldova and by the international agreements to which the Republic of Moldova is a party, as well as in case they:

- a) are dangerous for other goods and objects of the free zone;
- b) endanger the public moral and security;
- c) do not correspond with the ecological and sanitary and hygienic norms and rules, provided by the legislation;
- d) do not correspond with the quality requirements set by the legislation.

(10) The deliveries of goods (services) into free zones from the rest of customs territory of the Republic of Moldova shall be assimilated to export, and the delivery of goods (services) from the free zone to the rest of customs territory of the Republic of Moldova shall be assimilated to import and shall be regulated in accordance with the legislation.

(Par. 11,12 of article 7 transferred to article 8 by the Law No. 594-XV from 01.11.2001)

(Par. 13 renumbered into par. 11)

(11) The goods (services) from the free zone until the moment of passing across their borders shall have free circulation regime and shall be transmitted from one resident to another without drawing up the customs declaration.

ARTICLE 8. Tax Regime

(1) The tax authorities of the Republic of Moldova shall exercise the control on observance of the tax legislation within the framework of the free zones.

(2) The income tax for residents, obtained from the export of goods (services), originating from the free zone, outside the customs territory of the Republic of Moldova, shall be collected in size of 50 percent from the quota set in the Republic of Moldova.

(3) The residents who invested into the fixed assets of their enterprises and/or in the development of the free zone's infrastructure a capital equal with at least one million USD shall be exempted from paying the tax on the income from the export of goods (services), originating from the free zone, outside the customs territory of the Republic of Moldova for a period of three years, starting with the trimester next to the one in which the respective amount of investments was attained.

(4) The residents who invested into the fixed assets of their enterprises and/or in the development of the free zone's infrastructure a capital equal with at least 5 million USD shall be exempted from paying the tax on the income from the export of goods (services), originating from the free zone, outside the customs territory of the Republic of Moldova for a period of 5 years, starting with the trimester next to the one in which the respective amount of investments was attained.

(5) The residents shall not have the right to reduce the size of invested capital, in which base fiscal facilities have been accorded to them in accordance with paragraphs (3) and (4), during the validity term of the indicated fiscal facilities.

(Par. 5 of article 8 introduced by the Law No. 594-XV from 01.11.2001)

(others renumbered)

(6) The income tax from the residents' activity in the free zone, except for the one stipulated in paragraph (2), shall be set in proportion of 75 percent from the quota set in the Republic of Moldova.

(7) The tax on the residents' income, obtained from the delivery of goods (services) from the free zone to the rest of the customs territory of the Republic of Moldova, shall be collected in accordance with the legislation.

(8) The goods subject to excise, introduced into the free zone from outside the customs territory of the Republic of Moldova and from other free zones, as well as the goods originating from this zone and exported outside the customs territory of the Republic of Moldova shall be exempted from excise payment.

(9) The goods subject to excise, exported from the free zone to the rest of the customs territory of the Republic of Moldova shall be subject to excise duties.

(10) The deliveries of goods and services from free zones to the rest of customs territory of the Republic of Moldova shall be taxed with value added tax, in accordance with the fiscal legislation.

(Par. 10 of article 8 introduced by the Law No. 594-XV from 01.11.2001)

(others renumbered)

(11) The goods (services) delivered to the free zone from outside the customs territory of the Republic of Moldova, as well as the goods (services) delivered from the free zone outside the customs territory of the Republic of Moldova shall be taxed with zero quota of the value-added tax.

(12) The deliveries of goods (services) inside the free zone, as among the residents of various free zones of the Republic of Moldova shall not be subject to excise and shall be taxed with zero quota of the value-added tax.

(13) The Administration shall have the right to set zonal payments and fees. The size of zonal payments and fees collected from the residents by the Administration shall be set in the contract concluded by them with the Administration.

(14) The income obtained by the Administration shall be utilized for the maintenance of its apparatus and for the development of the free zone, being exempted from the income tax.

(15) Except for the reserves provided by the present article, the tax legislation of the Republic of Moldova shall be applied to the activity of free zones.

ARTICLE 9. Currency Regime

(1) The cash settlements on the territory of free zones shall be implemented in national currency.

(2) The clearing settlements between the Administration, the residents and the economic agents of the Republic of Moldova shall be implemented in accordance with the legislation.

(3) The requirements of the legislation on currency repatriation shall not be extended on the transactions between the residents and the economic agents.

(4) The requirements stipulated in the legislation on currency repatriation shall be extended on the export-import transactions implemented by the residents with foreign subjects.

(5) The labor remuneration of persons operating in the free zone shall be implemented in national currency.

ARTICLE 10. Visa and Registration Regime

(1) In case of foreign investors and of the workers of the residents, as well as in case of persons invited by the principal administrator of the free zone, the consular fees for drawing up official visas (business visas) shall not be collected.

(2) The solicitation of the principal administrator of the free zone shall constitute a ground for the issuance of the residence permit and the authorization for employment to the foreign investor or the worker of the free zone's resident.

ARTICLE 11. Working Relations and Social Protection

(1) At the resident enterprises, the working relations and the social guarantees shall be regulated in accordance with the legislation, by collective and individual contracts. The contracts can not comprise provisions limiting the rights set by the legislation.

(2) The issues concerning the creation and the activity of trade unions at resident enterprises of the free zone shall be solved in accordance with the Law on trade unions No. 1129-XIV from July 7, 2000.

ARTICLE 12. Solving Disputes

(1) The disputes between the residents, between the residents and other legal persons of the Republic of Moldova or the Administration shall be solved by the competent courts of the Republic of Moldova in accordance with the legislation.

(2) The disputes between the foreign physical or legal persons and the residents, between the resident enterprises with foreign capital and other legal persons of the Republic of Moldova can be solved through the mediation of the international arbitration, provided the legislation of the Republic of Moldova does not say otherwise.

(Par. 2 of article 12 redacted by the Law No. 594-XV from 01.11.2001)

ARTICLE 13. State Guarantees

(1) The free zones shall be created for a period of at least 20 years. The Law on the respective free zone shall set the operation period of a free zone.

(2) In case new legislative acts are adopted, worsening the conditions of residents' activity regarding the customs, tax and other regimes provided by the present Law, the residents shall have the right to apply, within the period of 10 years from the date of entering into force of the said legislative acts, the provisions of the present Law, in force at the date of the registration thereof in the free zones.

ARTICLE 14. Termination of the Free Zone's Activity

(1) The activity of the free zone shall cease:

- a) at the expiration of the term of free zone's functioning, provided by the Law on the concrete free zone;
- b) before the expiration of the term of free zone's functioning, if its activity contradicts the objectives of the present Law or the economic interests of the Republic of Moldova.

(2) The decision on the termination ahead of time of the free zone's activity shall be adopted by the Parliament, at the proposal of the Government. The procedure of termination of the free zone's activity and the manner of ensuring the State guarantees provided for the residents of free zones by paragraph (2) of article 13 shall be set by the Government.

(Article 14 amended by the Law No. 594-XV from 01.11.2001)

ARTICLE 15. Transitory and Final Provisions

(1) The laws on free enterprise zones, in force at the date of entering into force of the present Law, shall continue to function in the part in which they do not contravene with the present Law.

(2) Within one month from the date of entering into force of the present Law, the Customs Department shall elaborate the regulations of the customs service in the free zone, the mechanism

and manner of technical supply of its functioning, submit the Government with proposals on the number of personnel and the financing of the service's activity.

(3) The Government, within 3 months, shall:

- bring its normative acts in accordance with the present Law;
- submit to the Parliament proposals for bringing the in force legislation in accordance with the present Law;
- adopt the normative acts necessary for the execution of the present Law.

(4) The resident of the free zone, registered before the present Law entered into force, shall have the right, within 10 years from its entering into force, to act on the basis of the provisions of the Laws on concrete free zones, referring to the tax and customs regime, in force at the date of its registration. The resident, within 3 months from the entry into force of the present Law, shall communicate his decision in this sense to the Administration, otherwise it shall fall under the effect of the present Law.

(Par. 4 of article 14 redacted by the Law No. 594-XV from 01.11.2001)

(5) The Law on free enterprise zones No. 1451-XII from May 25, 1993 shall be abrogated.

THE PRESIDENT OF
THE PARLIAMENT

Eugenia OSTAPCIUC

Chisinau, July 27, 2001.
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