



## THE COUNTRY

### Will Moldova Have a New President Shortly?

This is the main question everyone is wondering about in Moldova. Whereas the Communist Party's 60 parliamentarians need one more vote to elect former Prime Minister Zinaida Greceanii as our country's new President, the 3-party liberal opposition formed of 41 MPs says that they will not participate in the presidential elections. Should any nominated Presidential candidate fail to accumulate at least 61 votes of elected members of the Parliament during two consecutive election attempts, the acting President Vladimir Voronin shall dissolve the Parliament and shall set a new date for new parliamentary elections. Whether Moldova needs a lasting political crisis in the midst of the new economic disorder is a controversy in itself.

### Moldova Introduces a Visa Regime for the Citizens of its No. 1 Export Destination

According to the Governmental Resolution no. 269 dated 8 April 2009, Moldova has established a visa regime for Romanian citizens traveling to Moldova. The Moldovan authorities believe that Romanian authorities had something to do with the violent protests from 7 April 2009. The Romanian authorities however deny any involvement.

This not very friendly political gesture is not helping the growing economic ties between Moldova and Romania. We hope that this measure is only temporary and that soon things will be restored back to normal.

According to Jan-Feb 2009 statistics, exports to Romania accounted to more than 20% of all Moldova's exports. Russia's export share was 17.6%. Moldova's no. 3 export destination is Italy with an 11.4% share.

## THE FIRM

### T&T Receives Honorary Recognition at 2009 Superbrands Romania Gala in Bucharest

On 27 April 2009, at the JW Marriott Hotel in Bucharest, during the 2009 Business Superbrands Romania Tribute Event, honoring the outstanding performance and reputation of Romania's business community, often referred to as Romania's "Branding Oscars", 25 business brands from Romania were awarded the prestigious 2009 Superbrand qualification.

For the first time Business Superbrands Romania has announced a "Neighbors to Watch" category, that has acknowledged three Moldovan entities – Moldova-Agroindbank, Purcari Winery and Turcan & Turcan law firm – for remarkable efforts in business branding and reputation. T&T partners Alexander Turcan and Octavian Cazac have proudly represented the firm at this outstanding ceremony.

The Superbrands Program was launched in the UK in the mid 1990s' and is now followed in about 50 countries worldwide.

To learn more about the Superbrands Program visit [www.Superbrands.com](http://www.Superbrands.com)

## Chambers Europe 2009 Rankings Released

Chambers Europe 2009 Guide came out in April. Turcan & Turcan was ranked in Band 1 for General Business Law, and in Band 2 – for Dispute Resolution. Both partners Alexander Turcan and Octavian Cazac have enjoyed superior individual rankings and editorial comments.

## Three T&T Professionals Named Among Best Lawyers

In April 2009, three lawyers from Turcan & Turcan – Alexander Turcan, Octavian Cazac and Carolina Parcalab – have been selected by their peers for inclusion in the inaugural edition of the Best Lawyers® list for Moldova. Best Lawyers is regarded as the definitive guide to legal excellence in the U.S. and increasingly around the world.

## T&T Partners Contribute to Preparation of Moot Court Team

In April 2009 partners Alexander Turcan and Octavian Cazac have contributed their time to judge the Moldova State University team that was preparing for participation at the 16-th edition of the Willem C. Vis International Commercial Arbitration Moot, held in Vienna, Austria.

Moot court exercises, being a simulation of a real trial or arbitral dispute, are an excellent developer of various useful skills for law students. T&T partners have personally been involved in moot court during their student years and helping the Moldovan teams annually is something that they do with great interest and pleasure.

## LEGAL NEWS

### New Subsoil Code to Enter into Force

The new Subsoil Code adopted in the last sessions of the previous Parliament has now been published and is set to enter into force on 17 July 2009. It repealed the old 1993 similar code.

The Code continues the previous regime of the subsoil stating that all its riches are public property and cannot be owned but only used by private individuals and companies.

The subsoil can be used only to: a) make geological research, including to prospect, evaluate and explore minerals and other types of geological research; b) extract minerals, including underground water and natural health minerals; c) construct and exploit underground structures not related to the exploitation of minerals; d) conduct industrial land filling; e) organize protected geological objectives; f) collect mineralogical, paleontological and other geological materials.

The use of the subsoil may be granted for an unlimited period of time only to public authorities. The use of the subsoil by private entities shall be limited in time. For instance, the right to extract minerals shall last only up to the exhaustion of the minerals, and the right to capture underground water shall last for a maximum of 25 years.

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### New Law on State Supervision of Public Health

A new Law on State Supervision of Public Health came into force in Moldova on 3 May 2009. This new law adopted by the Parliament will replace the older legislative act adopted in 1993. The new law maintains the requirement for businesses to obtain a sanitary authorization before marketing certain products and services, as established by the applicable sanitary regulations. Additionally, the businesses/activities with an impact on public health will continue to be subject to obtaining a prior sanitary functioning authorization.

The law imposes certain express obligations on legal entities, including: i) to draft and implement public health measures aimed at preventing and liquidating pollution of environment, at improving the labor conditions etc.; ii) to inform in due time the State Service for Supervision of Public Health on various incidents (e.g. accidents, suspension of production process, changes in the enterprises' structure, cases of intoxication and professional illnesses that endanger public health); iii) to assess the labor risks and to implement measures aiming at protecting the employees' health; iv) to independently cease the activity of the enterprise or of certain departments, when such activity does not comply with the requirements of the sanitary legislation; v) to withdraw from the market the products and services that pose a potential risk for human health.

The chief sanitary doctors have large powers related to exercising the state supervision functions, including to resolve on suspension of business activities that pose an immediate and serious risk to the public health, or even to forbid such activities if breaches cannot be remedied.

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### Infringement of Religious Freedoms to be Punished more Severely

We have reported earlier that the recently adopted Contraventions Code ("CC") will enter into force on 31 May 2009 and will replace the Code on Administrative Offences ("CAO") adopted in 1985. Among others, there are few novelties related to the contraventions (petty offences) in the field of religious freedoms. Thus, under the 1985 CAO, formation of political parties based on religious criteria was prohibited, while the new legislation is silent on this issue, which in fact has never been a problem in the Republic of Moldova.

On the other hand, the new CC purports to punish offenders of religious feelings, if such are committed by means of insults, profanation of sacred objects, religious symbols, premises and monuments. The penalties provided for contraventions in the field concerned (in most cases, pecuniary fines) are somewhat more severe under the new CC as compared to the old legislation, and a new penalty of community works has been introduced.

In the past, employment by locally registered churches of foreign citizens to conduct religious activities, as well as the exercise of religious activities and rituals by foreign nationals, without the consent of the relevant public authorities, was punished with a fine of up to 15 EUR and expulsion from Moldova of the relevant foreigners. Now, carrying out of religious activities by foreign nationals is restricted only in public places (e.g. parks, theatres, stadiums) and only if the local mayors offices have not been duly notified. In other words, a visiting foreign priest can be fined with up to 70 EUR and expelled from Moldova if his public appearance is not coordinated beforehand with the mayor's office. However, unlike in the past, if the a foreign priest comes to conduct an occasional private baptism ritual or another service in an inviting church, then such appearance will no longer pose risks of expulsion.

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### New Regulation on Appeals Board of the State Agency on Intellectual Property

The Government has approved the Regulation on the Appeals Board of the State Agency on Intellectual Property. Effective from 10 April 2009, this Regulation sets out the regulatory framework for the mandatory extrajudicial procedure on dispute resolution in the filed of intellectual property. In particular, this Regulation establishes the disputes arising out of or relating to the decisions of the State Agency on Intellectual Property being subject of appeal; the rights and obligations of the Appeals Board and of their members; the main requirements for an application to declare appeal and the terms and detailed examination procedure applicable to such appeals. We remind that in the past the Appeals Board was acting under Bylaws approved by the State Agency on Intellectual Property, and not by the Government.

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## How to Estimate Judgment Enforcement Expenses

A successful enforcement of a collection judgment can rarely be completed without a permanent interaction between the creditor, and/or his lawyer, with the bailiff. The bailiffs are always overwhelmed with work and they generally tend to give low priority to collection judgments where creditors are inactive. In November 2008 some important amendments to Moldovan Enforcement Code were adopted. The amendments related to the obligation of the creditor to advance money for the coverage of estimated enforcement expenses (the "Amendments"). The Regulation on Order of Estimation of Enforcement Expenses (the "Regulation") comes to complete and precise the Amendments. Up until April 2009, there was no precise method for estimation of enforcement expenses, and the Amendments could not be effectively applied. The Regulation has finally set up the necessary mechanism for calculation of enforcement expenses. It sets the tariffs applicable for certain enforcement acts, and explains how private contractors can be engaged in the process of enforcement of judgments. The Regulation also provides for the term for advancing money by the creditor. The amounts necessary for the coverage of estimated enforcement expenses shall be paid within seven days from receipt of an advance invoice from the bailiff. Moreover, instead of advancing cash, the creditor may choose to pay directly various contracts directly or the creditor may agree to assure, on its own account, all assistance necessary to the bailiff to carry out the enforcement. In addition, the Regulation entitles the creditors to ask for receipts on cash spent by the bailiffs, to seek a refund of unused amounts, to contest the acts of bailiff related to the use of advanced amounts, etc.

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## Licensing of Credit Bureaus

The May 2008 Law on Credit Bureaus (the "Law") has set the framework for the operation of these entities. Each credit bureau is subject to licensing by the National Financial Market Commission (the "NFCM"). The Law covers only general licensing requirements. More details are provided by the NFCM Decision no. 7/4 dated 20 February 2009 (the "Decision"). The Decision, inter alia, provides for the rules, terms and conditions for license issuance, suspension and withdrawal. Also, it sets out requirements towards the financial status and professional reputation of the credit bureaus' shareholders, and technical requirements towards credit bureau offices. In order to obtain the license for credit bureau services, the applicant shall submit a list of documents required by the NFCM. The license is issued for an unlimited period of time for a state fee of 2,500 MDL (about 170 EUR). If the license conditions are not observed by credit bureau, the NFCM will be entitled to suspend or withdraw the issued license.

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