

THE PARLIAMENT OF THE REPUBLIC OF MOLDOVA

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On Noncommercial Organizations

The Parliament adopts this organic law.

Chapter I. General Provisions

Article 1. Object of regulation

- (1) This law establishes the principles of establishment, registration and termination of noncommercial organizations, of carrying out their activities and the procedure for obtaining the public benefit status.
- (2) The provisions of this law shall not apply to the organizations that are not registered, public institutions, political parties, trade unions, religious groups and their component parts, associations of condominium owners or to other legal entities of public or private law whose manner of establishment and operation is regulated by other special laws.
- (3) In the sense of this law, a noncommercial organization shall mean civic association, foundation and private institution.
- (4) The provisions of Law no.220-XVI of 19 Oct 2007 shall apply to noncommercial organizations to the extent it does not contravene this law.

Article 2. Concepts of civic association, private institution and foundation

- (1) The civic association is an independent, noncommercial organization, established on a voluntary basis, by at least two individuals and/or legal entities, in view of achieving the noncommercial goals for which it was established.
- (2) The foundation is a noncommercial organization, without members, established on a voluntary basis by one or several individuals and/or legal entities, having distinct property and separated from that of its founders, designated to achieve the noncommercial goals for which it was established.
- (3) The private institution is a noncommercial, independent organization, established on a voluntary basis, by one founder individual and/or legal entity, in view of achieving the noncommercial goals for which it was established.

Article 3. Principles of establishment and operation

- (1) Noncommercial organizations shall be established on a voluntary basis. No one can be coerced to found noncommercial organizations, to become member of a civic association, or to be sanctioned for having founded or for being or not member of a noncommercial organization. Persons can associate without being required to register their organization.

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- (2) Noncommercial organizations are free to establish their internal structure, goals and activities.
- (3) Noncommercial organizations are free to request, to receive and to use financial and material means, from inside and outside the country, in view of achieving their statutory goals.

Article 4. Attributes of the noncommercial organization

- (1) Noncommercial organizations carry out their activities under a name. The name shall contain:
 - a. the form of organization, as applicable: "Civic Association," "Foundation" or "Private Institution";
 - b. the name itself.
- (2) The name of the organization also contains other data that do not contravene the legislation.
- (3) The name must allow one to make a difference from the public authorities and other organizations.
- (4) The name shall be written using the Latin alphabet using diacritics. In the name, words written in other alphabets can be used that shall be written using Latin characters. The founder is required to submit to the state registration body the meaning of the words written using other alphabets or languages in the specific name.
- (5) The noncommercial organization shall be entitled to use in its name the name of a person only with his consent or that of his successors, as applicable. For using the words "Moldova", "Republic of Moldova", names of localities as well as their historical names, no permission shall be necessary and no fee shall be collected.
- (6) The noncommercial organization may have its own symbols that shall not coincide with the state symbols of the Republic of Moldova or of other states or entities, including of those that are forbidden in the Republic of Moldova.
- (7) The noncommercial organization shall have premises. The premises of the noncommercial organization shall be considered the premises registered in the state register of noncommercial organizations. The organization may also have other addresses for its correspondence.

Article 5. Relations between the state and the noncommercial organizations

- (1) The state shall respect, protect and assure the freedom of association.
- (2) The public authorities shall treat the noncommercial organizations equally and shall not discriminate against them.
- (3) The state shall assure the right of the taxpayers to make percentage designations for the benefit of the noncommercial organizations that carry out public benefit activities. The state may provide financial and material support, including by granting to public benefit noncommercial organizations, in preferential conditions, the right to use the public property.
- (4) The state may establish rules for noncommercial organizations in view of preventing money laundering and combating terrorism only to the extent such rules are in accordance with the international standards on human rights.
- (5) The state may intervene in the activities of noncommercial organizations only if this is a necessary measure in a democratic society to assure national security, public safety, protection of order or prevention of crimes, healthcare, protection of the rights and freedoms of others.

Chapter II. Activities, rights and obligations of noncommercial organizations

Article 6. Activities of noncommercial organizations

- (1) The noncommercial organization can work for the public benefit, for the benefit of its members or for that of other persons.
- (2) In view of achieving its statutory goals, the noncommercial organization may carry out any type of activities that are not forbidden by the law. The noncommercial organization shall be entitled to carry out economic activities, including social entrepreneurship. Economic activities may be carried out directly by the noncommercial organization or by forming legal entities with lucrative purposes. Those activities of noncommercial organizations that are subjected to licensing according to the law shall be practiced by the noncommercial organization only after obtaining the license.
- (3) The noncommercial organization may support political parties, social-political organizations, election blocs and election candidates in the sense of the Election Code or matters subjected to a referendum provided it acts transparently, by observing its constitutive acts and the provisions of the Election Code as well as the provisions on supporting political parties. It is forbidden to use for such purposes the funds and material values received from the state.
- (4) The noncommercial organization that violates the provisions of para. (3) loses the financial support and other preferences granted by the state as well as the right to benefit from the percentage designation mechanism. The noncommercial organization shall return to the state the counter value of the support and resources received received from the state and used by violating the provisions of para. (3).

Article 7. Rights and obligations of noncommercial organizations

- (1) In view of reaching its statutory goals, the noncommercial organization has all the rights guaranteed by the Moldovan legislation, including to:
 - a) conduct and promote initiatives of civic, economic, cultural, educative and other initiatives not forbidden by the law;
 - b) conduct scientific and training activities;
 - c) freely disseminate information using any forms not forbidden by the law;
 - d) request and receive financial and material means, from inside and outside the country, including public funds;
 - e) fund programs inside and outside the country, by providing grants, stipends, material and financial aids;
 - f) represent and protect the legitimate interests of its members and of other persons before the public authorities in view of reaching its statutory goals.
- (2) The noncommercial organization shall be required to observe the Moldovan legislation, including to:
 - a) adjust its statute if the legislation is amended;
 - b) keep records of its members, for civic associations;
 - c) submit, within maximum three months, to the state registration body the documents that confirm the amendments made to its statute, changes to its electronic address, changes to its premises or in the composition of the management and control bodies.
- (3) The noncommercial organization shall publish its annual activity report within maximum six months from the end of the year for which it has been prepared. If the noncommercial organization does not publish its annual activity report, it shall transmit a copy of the report to anyone who requests it within maximum one month. At the request of the Ministry of Justice, the organization shall submit its activity report to it within maximum one month. The annual activity report contains information about the activities carried out, the amounts of financial means and material values received and used as well as other relevant information.

- (4) A civic association cannot be required to accept new members unless as established in its statute. This provision shall not apply to national sport federations.

Article 8. Property of the noncommercial organization

- (1) The noncommercial organization may own any assets, except for the ones established by the law. The property of noncommercial organization shall be used exclusively to achieve its statutory goals.
- (2) The property of noncommercial organizations shall be made up from any sources not forbidden by the law, including from:
 - a) membership fees, established by the decision of the supreme management body;
 - b) donations, grants and inheritance;
 - c) revenues from economic activities;
 - d) public funds, including funds obtained from percentage designations.
- (3) The profit made by noncommercial organizations shall not be distributed among its members, founders or other persons.
- (4) The assets left after the voluntary liquidation of a noncommercial organization, after paying off the receivables, shall be transferred to another noncommercial organization that has goals similar to the one liquidated that is mentioned in the statute or is established by the supreme managing body. The assets of the noncommercial organization liquidated by force shall be transferred to the noncommercial organization mentioned in its statute or designated by the court, following a public announcement if the statute does not mention the beneficiary noncommercial organization.

Article 9. Percentage designation and using the funds derived therefrom

- (1) The percentage designation mechanism can be enjoyed by the noncommercial organization that cumulatively meets the following conditions:
 - a) carries out public benefit activities in accordance with art. 21;
 - b) has been active for at least one year upon requesting to be entered in the list of beneficiaries of the percentage designation;
 - c) in the past four years has not supported and, in the period of use of the sources received from the percentage designation, will not support a political party, a social-political organization or a candidate in the elections, in the sense of the Election Code;
 - d) does not have debts to the national public budget for the previous fiscal periods.
- (2) The request for participation in the percentage designation mechanism shall be filed with the Ministry of Justice as established by the Government.
- (3) The funds obtained from the percentage designation can be used for:
 - a) supporting the activities stipulated in art.21, within a timeframe that does not exceed two fiscal periods after the fiscal period in which the designation took place, and the amounts that were not used within this timeframe are to be returned to the budget;
 - b) covering administrative costs of 50% if the amount obtained is of up to 50,000 lei, of 40% if the amount is higher than 50,000 and does not exceed 100,000 lei; of 30% if the amount is higher than 100,000 and does not exceed 500,000 lei; of 25% if the amount is higher than 500,000 lei.
- (4) The noncommercial organization that has benefited from percentage designations shall submit reports on the use of the funds obtained from percentage designations, as established by the Government.

Article 10. Liability for the in compliant use or failure to report on the use of funds obtained from percentage designations

- (1) The noncommercial organization and the responsible persons thereof who violate the legal provisions on the use of the funds obtained from percentage designations and do not report on the use of such amounts shall be held liable in accordance with the legislation and shall return to the budget the amount used contrary to the legislation or failed to be reported.
- (2) The noncommercial organization that violates the legal principles on the use of funds obtained from percentage designations or that fails to report on their use shall be excluded from participation in the percentage designation for a period of two years, and their list shall be published on the official webpage of the Ministry of Justice.

Chapter III. Establishment, registration, reorganization and liquidation of the noncommercial organization

Article 11. Founders

- (1) A noncommercial organization can be established by individuals and legal entities.
- (2) Juveniles and protected persons can found organizations and become members of civic associations as established by this law and the Civil Code.
- (3) Public authorities and institutions, state and municipal institutions cannot form noncommercial organizations or become members of civic associations. This restriction does not apply to education institutions, which can form private foundations and institutions.
- (4) The founders of the civic association become members thereof from the moment of registration of the association by the state registration body.
- (5) The membership of a civic association or of founder of a foundation or private institution shall be transmitted to one successor.
- (6) If the civic association is left with one member, within three months, he is required to accept new members or to decide on the reorganization or voluntary liquidation of the civic association.

Article 12. The act of establishment

- (1) The noncommercial organization is established by statute. The statute of the noncommercial organization established by two or more founders shall be approved by the decision on establishment, recorded in the minutes, while the statute of the noncommercial organization established by one founder shall be approved by a decision or will, as applicable.
- (2) The statute of the noncommercial organization sets out:
 - a) full name;
 - b) timeframe for which the organization is established;
 - c) goals for which it has been established;
 - d) procedure of establishment, reorganization and liquidation;
 - e) structure of the organization, management and control bodies, competence and duration of their mandates;
 - f) manner of establishment and liquidation of subsidiaries;
 - g) manner of election of the administrator and of other bodies of the noncommercial organization, as applicable;
 - h) procedure of adoption and modification of the statute;
 - i) manner by which it assures the transparency of its activities;
 - j) other clauses that do not contravene the law.
 - k)
- (3) The statute of the civic association sets out the data from para.(2) as well as:
 - a) conditions and procedure for accepting new members and for terminating the membership;
 - b) rights and obligations of members;
 - c) procedures and timeframes for calling a general meeting of the members;
- (4) The statute of the foundation contains:

- a) provisions on the property divided into shares that shall be equal at least to 2 average salaries in the economy upon the filing of the documents for registration of the noncommercial organization. The shared property can be used for achieving the noncommercial goals for which the foundation was established;
 - b) provisions about the relations between the founder and the foundation.
- (5) The statute of the civic association shall be approved by the general assembly of the founders and shall be signed by all the founders upon establishment.
 - (6) The statute of the private institution shall be approved by the founder.
 - (7) The statute of the foundation shall be approved by the founder(s) or by the will executor by observing the will provisions. In the latter case, the statute shall be notarized.
 - (8) The minutes of the meeting on establishing a noncommercial organization, as applicable, the decision on establishing a noncommercial organization includes:
 - a) data about the selection of the management and control bodies;
 - b) data about designating a person authorized to represent the organization during registration;
 - c) information about the organization's premises;
 - d) contact data, including the electronic address.
 - (9) The minutes of the meeting on establishing a civic association sets out the size of the membership fee.

Article 13. Registration of noncommercial organizations

- (1) The noncommercial organization shall be registered by the authorized state registration body. Foundations shall be registered by the Ministry of Justice. The founders may choose to have the civic association and the private institution registered either by the Ministry of Justice or by the local public administration authorities within whose jurisdiction its premises will be located.
- (2) The noncommercial organization acquires legal personality from the moment of its registration.
- (3) A fee shall be collected as provided by the Government for the registration of the noncommercial organization and of the amendments and completions to its statute.
- (4) Until the documents for registration are filed, the founder or one of the founders shall request a confirmation of the availability of the name by email from the Ministry of Justice. The Ministry of Justice shall reply within 5 working days.
- (5) The name of the noncommercial organization may be reserved upon request by the Ministry of Justice for a period of up to 6 months. No fee shall be collected for the reservation.
- (6) For registration, the authorized person shall submit, within 3 months from the approval of the statute, to the state registration body the following documents whose list is exhaustive:
 - a) request for registration, signed by the person authorized by the minutes of the meeting on establishment or by the decision on establishment ;
 - b) organization's statute, signed by the founders, in two copies;
 - c) minutes of the minutes on establishment or decision on establishment;
 - d) confirmation of the availability of the name of the organization;
 - e) list of founders, indicating their full name, identification number (IDNP), date of birth, domicile and citizenship of each of them, for individuals; or name, premises, state identification number (IDNO) and the document confirming the representation powers, for legal entities;
 - f) if an individual's name is used in the name of the noncommercial organization – the declaration by which the respective person or his successor, as applicable, consent to the use of their name in the name of the noncommercial organization;
 - g) the document certifying the establishment of the premises;
 - h) the document proving payment of the registration fee;
 - i) the document proving the underwritten capital, in case of setting up a foundation;

- j) endorsement of the specialized body of the public administration, when establishing national associations and national sport federations.
- (7) The state registration body, within 10 working days from the receipt of the documents, shall pass a decision for registering or for refusing to register the organization, except for the situation specified in para. (8).
- (8) If gaps are found in the documents filed, the state registration body shall request their removal within the timeframe mentioned in para.(7). The state registration body shall make a decision within 5 working days from the receipt of the documents adjusted.
- (9) The registration of a noncommercial organization shall be refused by a reasoned decision if:
- a) the purposes for which it was established contravene national security, public safety, protection of order or prevention of crimes and this measure is necessary in a democratic society;
 - b) the gaps mentioned in para.(8) have not been removed within 3 months from the request of the state registration body
- (10)The decision of the state registration body shall be sent to the person who has filed the documents for registration by any means that allow for a confirmation of the receipt, within 3 working days from its passing.
- (11)The subsequent amendments and completions to the statute of the noncommercial organization shall be registered according to the procedure for registering noncommercial organizations by observing the provisions of the Civil Code, and shall become effective from their registration. For registering changes, the organization shall submit the documents confirming the observance of the procedure stipulated by the statute for its amendment. No fee shall be collected for registering the amendments and completions caused by legislative amendments.
- (12)The refusal to register the organization under para. (9) letter b) shall not represent an obstacle for the repeated filing of documents for registration. The examination of the repeated request by the state registration body and the passing of the respective decision shall take place according to the general procedure.
- (13)The refusal to register the noncommercial organization can be challenged in an administrative review court.

Article 14. State register of noncommercial organizations

- (1) The Ministry of Justice keeps the state register of noncommercial organizations in electronic format, which is integral part of the State Register of Legal Units. The local public administration bodies keep records of the civic associations and private institutions registered thereby. The data about the noncommercial organization registered by the local public administration bodies shall be submitted to the Ministry of Justice within 5 working days from registration.
- (2) The following data shall be entered in the register:
- a) name of the organization and its legal form of organization;
 - b) date of registration and registration number;
 - c) organization's contact data;
 - d) director's full name;
 - e) data on the organization's goals;
 - f) data on the public benefit status;
 - g) the authority that has registered the organization
- (3) Other data may be entered in the register as well.
- (4) The register shall be kept in the state language, shall be updated and made public on the Internet.

Article 15. Duties of the authorized state registration body

- (1) The authorized state registration body cooperates with the public authorities and institutions, with other entities, concluding cooperation agreements with them on the

exchange of information and establishing common activity procedures, mainly in an online regime, in view of fulfilling the duties established by the law.

- (2) If the state registration body finds unauthentic documents or information about the noncommercial organization, it shall notify the noncommercial organization about it and shall give it a reasonable timeframe to remove the deficiencies. If the organization fails to comply with the requirement of the state registration body, the latter shall notify the competent authorities for them to take the relevant actions.

(1) Article 16. Termination of the activities of noncommercial organizations

- (1) The noncommercial organization shall terminate its activities by:
 - a) voluntary liquidation;
 - b) forced liquidation;
 - c) reorganization by fusion, disaggregation or transformation;
- (2) The voluntary dissolution procedure of the organization is set out in the organization's statute. If it is provided by its statute, the founder of the foundation may decide on the voluntary dissolution of the foundation.
- (3) The noncommercial organization can be liquidated in a forced manner by court judgment, at the request of the Ministry of Justice, if its activities contravene national security, public safety, protection of order or crime prevention, protection of health, morale or other persons' right and freedoms and this measure is necessary in a democratic society as well as if it has failed to observe the provisions of Art.11 para.6. Failure to submit its annual activity report after the repeated request of the Ministry of Justice shall serve as grounds for starting the forced liquidation procedure, if the report has not been submitted within six months from the second request. The examination of the forced liquidation request is in the jurisdiction of the Chişinău District Court.
- (4) The court that examines the request for forced liquidation, at the request of the Ministry of Justice, may rule to suspend the activities of the noncommercial organization until the request for liquidation is settled. Suspending the activities of a noncommercial organization may be ordered only if this measure is necessary in a democratic society. The suspension decision may be challenged with cassation separate from the merits of the case.
- (5) The court may give the noncommercial organization the possibility to remove the gaps invoked in the request for forced liquidation within 6 months.

Chapter IV. Management and control bodies

Article 17. The management and control bodies

- (1) The supreme management body of the noncommercial organization is:
 - a) the general assembly of its members, for civic associations;
 - b) the founder, for private institutions;
 - c) the board, for foundations.
 - d) ;
- (2) The noncommercial organization is administered by an administrator, appointed as provided by its statute.
- (3) In order to exert control over the management of the organization and the administrator's activities, the supreme management body may appoint one or more censors as provided by the statute. The following cannot be censors:
 - a) the administrator and the members of the organization's board;
 - b) the administrator's/board member's spouse, in-laws and relatives up to the 4th level of relation inclusively;

- c) the persons with unserved criminal records for crimes against property, economic crimes, crimes deliberately committed by persons with responsible positions or by persons who manage commercial organizations.
- (4) The civic association and the private institution may have a board, appointed by the supreme management body as provided by its statute. The administrator of the civic association and of the private institution cannot be member of the board.
- (5) Only the individuals appointed under this law may be part of the board of the noncommercial organization.
- (6) The noncommercial organization may also have other bodies that contribute to the organization's activities. Their powers are set out in the statute.

Article 18. The duties of the supreme managing body

- (1) The supreme managing body:
 - a) Approves, amends and completes the noncommercial organization's statute;
 - b) Decides on the setting up of subsidiaries and branches of the noncommercial organization;
 - c) admits and excludes the members, in case of civic associations, if the statute does not provide differently;
 - d) elects and revokes the board members as established by the statute;
 - e) approves the organization's large transactions, as established by its statute;
 - f) if the statute establishes it, cancels the decisions passed by the administrator and by the board, without affecting the rights of the good-willed third parties;
 - g) amends the property divided into shares, for foundations;
 - h) changes the premises of the noncommercial organization;
 - i) decides on the reorganization or voluntary dissolution of the noncommercial organization, of its subsidiary or branch, as established by the statute and by observing this law;
 - j) decides on other issues put in its competence by the law or the statute.
- (2) The supreme managing body is headed by one of its members, as established by the statute.
- (3) The supreme managing body shall meet in ordinary meetings at least once a year, as provided by the statute. The supreme managing body shall meet in extraordinary meeting, as provided by the statute.
- (4) The meeting of the supreme managing body shall be deliberative if more than half of its members are present. If the meeting is not deliberative, the following meeting shall take place within maximum one month and this one shall be considered deliberative as provided by its statute.
- (5) The manner of participation and holding of the meetings of the supreme managing body and the right to vote is established in the statute. The works of the supreme managing body shall be recorded in the minutes.
- (6) The decisions of the supreme managing body shall be passed with a majority vote of the members present at the deliberative meeting if this law or the statute does not provide otherwise.
- (7) The meeting of the supreme managing body to decide on the reorganization and voluntary liquidation of the civic association and of the foundation shall be deliberative if at least two-thirds of its members are present. The decision on the reorganization and voluntary liquidation of the civic association and of the foundation shall be made by at least two-thirds of votes.
- (8) The members of the supreme managing body shall have access to all the documents of the organization and shall be entitled to verify the accounting documents, the property records and the transactions of the noncommercial organization.

Article 19. The Administrator

- (1) The administrator is an individual with full legal capacity, appointed in the manner and for a mandate established in the statute. The administrator may be reelected for an unlimited number of times unless the statute provides otherwise.
- (2) The noncommercial organization may have more than one administrator if this is provided in the statute.
- (3) The administrator has the following duties:
 - a) manages the work of the organization as established by the law and by its statute;
 - b) represents the organization in the relations with the public authorities and third parties;
 - c) executes the decisions of the managing and control bodies of the noncommercial organization;
 - d) prepares the annual activity report of the noncommercial organization and submits it to the managing bodies as provided by the statute;
 - e) ensures the publishing of the annual activity report of the noncommercial organization;
 - f) performs other duties set out by law and the statute.
- (4) The administrator cannot be:
 - (a) the person who by law or court judgment is forbidden to hold the position of administrator or another position that grants the right of disposition on material goods;
 - (b) the adult individual protected through guardianship if a court judgment has limited his right of disposition or who has not been allowed to sign, independently or with the assistance of the guardian, legal acts on property administration, except for the legal acts provided by the Civil Code
 - (c) the person with unserved criminal records for crimes deliberately committed against property, economic crimes, crimes committed by a person with a responsible position or by the person who manages organizations.

Article 20. The control body

- (1) In order to conduct control over the organization's management and the administrator's activities, the supreme managing body may appoint a censor or decide that its activities be annually audited by an external auditor. The censor has a time-limited mandate that is established in the statute.
- (2) The administrator is required to make available to the control body all the documents necessary for conducting the control.
- (3) The control body annually prepares a report on the financial activity of the organization and submits it to the managing bodies as provided by the statute.
- (4) The control body shall notify the supreme managing body or another body set out by the statute if it has found acts that contravene the law or the noncommercial organization's statute, and that have caused or can cause considerable damages to the organization.

Chapter V. The public benefit status

Article 21. Public benefit activities

- (1) In the sense of this law, public benefit activities are those activities of the noncommercial organization carried out in the general interest or in the interest of a local community that contribute to the development and support of:
 - a) education and training of persons, dissemination and acquiring of knowledge;
 - b) science, culture and art;
 - c) sport, physical education and social tourism;
 - d) healthcare;
 - e) social protection of persons with disabilities, of other disfavored persons and groups;

- f) creation of new workplaces;
 - g) eradication of poverty;
 - h) promotion of peace, prevention and overcoming of civil, social, ethnical and religious conflicts;
 - i) support and promotion of the noncommercial sector and of noncommercial organizations;
 - j) protection and promotion of democracy and human rights;
 - k) prevention of criminality and contribution to counteracting it;
 - l) environment protection;
 - m) protection of cultural heritage and historical monuments;
 - n) civic spirit and activism, including participation in the decision-making process and transparency of the public sector
- (2) The Certification Commission may qualify other activities as being of public benefit in addition to the ones mentioned in para.(1) if they strengthen the rule of law, democracy, and determine the social and economic development of the country.

Article 22. The public benefit status

- (1) The public benefit status shall be assigned to the noncommercial organization that carries out the public benefit activities mentioned in art. 21 and cumulatively meets the following conditions:
- a) has been working for at least one year upon the filing of its request;
 - b) its statute sets out goals related to public benefit activities;
 - c) has a board made up of at least 3 persons that are not hired by the noncommercial organization and that supervise its activities;
 - d) has a control body set out in Art.20;
 - e) The members of the managing and control bodies of the noncommercial organization shall respect the rules on the conflicts of interests.
 - f) does not have debts to the national public budget for the previous fiscal periods;
 - g) does not have political parties or social-political organizations as founders or members;
 - h) does not support the work of a political party, social-political organization or election candidate in the sense of the Election Code;
 - i) publishes the annual activity report.
- (2) The public benefit status shall be assigned by decision of the Certification Commission. This shall be mentioned in the State Register of Noncommercial Organizations. The public benefit status shall be granted for three years.
- (3) The noncommercial organizations that hold the public benefit status shall notify the Certification Commission within 30 days if such circumstances arise that make them ineligible to enjoy this status. In such case, the Certification Commission shall remove the public benefit status within 30 days from receiving the notification.
- (4) The removal of the public benefit status implies losing the right to the benefits previously enjoyed under this status. The noncommercial organization shall immediately notify the central and local public authorities from which it enjoyed benefits under the public benefit status about the removal of this status. The Certification Commission may, upon request or ex officio, examine the issue of removal of the public benefit status if one invokes violations of the conditions on the public benefit status.

Article 23. Benefits of the public benefit status

- (1) The central and local public authorities shall support the work of public benefit organizations, including by:
- a) granting tax benefits under the law;

- b) renting out space in preferential conditions or letting them for free use;
 - c) funding the activities proposed by the noncommercial organizations;
 - d) placement of social orders;
 - e) contracting public procurements.
- (2) The public authority may carry out jointly with the noncommercial organization the activities mentioned in art. 21. The decision on the noncommercial organization's request for financial or material support shall be passed after a public competition.
 - (3) The announcement and the conditions for holding the competition and the evaluation criteria shall be published at least one month prior to the deadline for filing proposals for financial or material support.
 - (4) The financial or material support of the work of noncommercial organizations shall be provided on a contract basis.
 - (5) The public authorities shall verify the use according to its designation of the financial and material support provided to noncommercial organizations.

Article 24. The Certification Commission

- (1) The Certification Commission is the body authorized to grant the public benefit status. The Commission works under the Ministry of Justice under a regulation approved by the Government.
- (2) The Certification Commission is made up of nine members, three of whom are appointed by the President of the Republic of Moldova, three by the Parliament and three by the Government. Of the three members appointed by each authority, at least one is a financial specialist and at least one is representative of noncommercial organizations. The members of the Certification Commission are appointed based on a public competition.
- (3) Candidate for the position of member of the Certification Commission can be the person who:
 - a) speaks the state language;
 - b) is domiciled in the Republic of Moldova;
 - c) enjoys an irreproachable reputation;
 - d) is not civil servant;
 - e) is not member of a political party or of a social-political organization;
 - f) is supported by recommendation by at least one noncommercial organization.
- (4) The mandate of the member of the Certification Commission ends in case of:
 - a) expiration of the mandate's duration;
 - b) revocation;
 - c) resignation;
 - d) death.
- (5) A member of the Certification Commission can be revoked in case of:
 - a) conviction, under an irrevocable court judgment, for the commission of a crime;
 - b) impossibility to perform his duties for more than three consecutive months;
 - c) employment as civil servant;
 - d) acquiring of membership of a party or a social-political organization.
- (6) The members of the Certification Commission shall be appointed for four years and shall carry out their mandates until their positions are taken over by new members.
- (7) The Certification Commission shall elect its president by secret vote from among its members, with a majority of their votes. The mandate of the president of the Certification Commission is of two years.
- (8) The members of the Certification Commission can hold maximum two consecutive mandates.
- (9) The Ministry of Justice shall assure the secretariat works of the Certification Commission.
- (10) The Certification Commission shall meet in meetings not less than once per month. The Commission meetings are public. The date and hour for holding the meetings shall be established by the president of the Commission after having consulted with the members

- and shall be published on the official webpage of the Ministry of Justice at least 10 days prior to the date established for the meeting.
- (11) By 31 March of each year, the Certification Commission shall publish its annual activity report on the official webpage of the Ministry of Justice.
 - (12) The decisions of the Certification Commission on granting and removing the public benefit status shall be published on the official webpage of the Ministry of Justice.
 - (13) The Certification Commission has the following duties:
 - a) examines the files of the noncommercial organizations that request the public benefit status and grant the status;
 - b) informs the Ministry of Justice and other competent authorities about the noncommercial organizations to which the public benefit status has been granted and from which it has been removed;
 - c) removes the public benefit status;
 - d) sets up advisory councils and expert groups for the review and debate on issues related to the work of public benefit noncommercial organizations;
 - e) examines petitions on matters in its competence.
 - (14) In performing its control functions, the Certification Commission is entitled to:
 - a) request and receive from the public authorities the information necessary for its control;
 - b) to request from individuals and legal entities information about the work of the noncommercial organization related to its public benefit status;
 - c) to notify the authorized bodies about its controls of how the legislation is observed;
 - d) to request from noncommercial organizations copies of their documents and original documents as necessary.
 - (15) The members of the Certification Commission have free access to the files of the noncommercial organizations that have or request the public benefit status.

Article 25. Procedure for granting the public benefit status

- (1) The noncommercial organization that requests the public benefit status shall submit to the Certification Commission the following documents whose list cannot be extended:
 - a) its request;
 - b) its activity report for the previous year (if it requests a the public benefit status) or for the past three years (if it reconfirms its public benefit status) that shall contain information about the activities held, the amount of the financial and material means received and used;
 - c) the financial declaration that shall include:
 - the financial report for the previous year of activity, prepared according to the accounting standards;
 - information about the funding sources of the organization, including the grants received for the period prior to filing the request but not for more than 3 years;
 - data about the use of the financial and material means received;
 - d) the declaration of personal liability that shall meet the conditions set out in art. 22 para (1).
- (2) The Certification Commission, within one month from the filing of the full request, shall examine the request for granting the public benefit status. If the documents submitted to the Commission are incomplete, the Commission's secretariat shall grant to the applicant at least 10 days for removing the gaps.
- (3) The Certification Commission shall pass one of the following decision:
 - a) to grant the public benefit status;
 - b) to reject the request for granting the public benefit status if the conditions set out in art.22 para.(1) are not met.

- (4) The Certification Commission shall reason its decision and convey it to the applicant within 3 days from passing it by any means that confirm its receipt.
- (5) The representatives of the applicant are entitled to attend the meeting of the Certification Commission and to intervene with explanations on the request filed.
- (6) The Commission's decision to reject a request for granting the public benefit status can be challenged in court according to the administrative review procedure.

Article 25. Control of the compliance with the public benefit status

- (1) Throughout the period in which the noncommercial organization holds the public benefit status it shall be required to observe the conditions set out in art. 22 para. (1).
- (2) The Certification Commission may verify the observance by the noncommercial organization with public benefit status of the conditions set out in art.22 para.(1). If infringements incompatible with the public benefit status are found, the Certification Commission shall notify the respective organization thereabout and shall request that it removes them within maximum two months. If the noncommercial organization has failed to remove the infringements within the term mentioned, the Certification Commission shall remove its public benefit status. The decision on status removal can be challenged in court according to the administrative review procedure. The challenging in court of the decision of the Certification Commission on removal of the public benefit status shall suspend the effects of the decision challenged.
- (3) The removal of the public benefit status implies termination of the benefits granted in relation to such status.

Chapter VI. Special provisions

Article 26. Special provisions on the political activities of noncommercial organizations

(1) The noncommercial organization, members of its managing bodies, can participate, intervene in or carry out political activities, election campaigns, election programs, propaganda, in support or against political parties, political party blocs, alliances of political parties, social-political organizations, election blocs, their leaders or candidates or the independent candidates, actions for promoting them or any other actions launched by them, carried out jointly or separately, both during and outside the elections, in matters subjected to a referendum, may be affiliated with a political organization, in the sense of the Election Code, the Law no.294 of 21 Dec 2007 on Political Parties and other normative acts, in the following conditions:

- a) does not benefit from or does not have the right to benefit from the percentage designation mechanism as provided in art. 9;
 - b) the activities described are not funded, do not benefit from material values and/or do not have assistance originating (directly or indirectly) from outside the Republic of Moldova;
 - c) observes the financial transparency rules established in article 27;
 - d) submits a written declaration to the Ministry of Justice and the Central Election Commission that expressly indicates the activities and the reasoning for carrying them out, and publishes it on the website of the noncommercial organization;
 - e) the activities described form the purpose of the establishment and are in compliance with its constitutive acts;
 - f) observes the provisions of the election legislation;
 - g) the political parties, social-political organizations, election blocs, their leaders or candidates, or the independent candidates do not benefit from any part of the revenues of the noncommercial organization or of the members of its managing bodies.
- 2) Activities by noncommercial organizations of research, training and education, protection of human rights, expert examination, support, development, promotion, implementation and

monitoring of public policies or other activities that represent the main purpose of their activities other than those mentioned in paragraph (1) do not constitute political activities.

Article 27. Financial transparency rules

(1) The noncommercial organizations that benefit from or have the right to benefit from the percentage designation mechanism, are funded, benefit from material values and/or assistance originating from outside the Republic of Moldova shall submit to the Ministry of Justice and shall publish on their websites, annually and quarterly, not later than the 30th of the month immediately following the reporting period:

- a) The financial report of the noncommercial organization;
- b) Reports on the origin and use of financial means;
- c) The reports on incomes and other benefits granted to the members of the managing bodies, employees and other individuals contracted;
- d) The report on the income and expenditures related to political activities.

(2) The format and contents of the reports indicated in para (1) letters a) – c) shall be approved by the Ministry Justice and the report indicated in para (1) letter d) shall be approved by the Central Election Commission.

Article 28. Sanctions

(1) For infringing on the provisions of art. 26 and 27, the following sanctions shall be imposed on the noncommercial organization, the members of the managing body of the noncommercial organization, in the following order:

- a) written notification for removing the infringements committed;
- b) a financial sanction in the size of the monthly salary fund or in the size of the amount or material values enjoyed by the financial organization in committing the respective infringement, whichever is higher, imposed on the noncommercial organization, and in the size of the monthly salary imposed on the responsible member of the managing body;
- c) losing the right to financial support and other state preferences as well as the right to benefit from the percentage designation mechanism, by returning to the state the counter-value of the support and resources received from the state, obtained and/or used in committing the respective infringement, and losing the public benefit certificate;
- d) liquidation of the noncommercial organization, under a court judgement.

(2) The sanction shall be applied by the Ministry of Justice.

(3) The failure to execute the sanction imposed shall bring about a harsher sanction.

(4) The same person cannot be imposed two sanctions for the same act committed.

(5) A harsher sanction shall be imposed if:

- a) a milder sanction has been imposed that precedes the respective sanction, without omitting any of the milder sanctions set out in the previous letters;
- b) the infringement committed has not been removed and the previously imposed sanction has not been executed.

(2) In all the cases, the noncommercial organization is required to remove all the infringements committed.

Chapter VII. Final provisions

(1) Within 3 months from the coming into effect of this law, the Government shall:

- a) align its acts to this law;
- b) draft the necessary normative acts for the implementation of this law.

(2) Within 24 months from the coming into effect of this law, the noncommercial organizations registered until the coming into effect thereof shall make sure that the persons who are part

- of their managing and control bodies meet the conditions set out in this law and bring their statutes in accordance with the provisions of this law.
- (3) Within 24 months from the coming into effect of this law, the unions of legal entities shall align their establishment acts to the provisions of this law. Their failure to align their establishment acts within the term set out in this paragraph shall serve as grounds for starting the forced dissolution procedure.
 - (4) The noncommercial organizations and unions of legal entities that have failed to comply with this law during 12 months from its coming into effect shall be notified in writing by the Ministry of Justice about the need to comply. If the organization fails to bring its constituting acts in compliance within the timeframe set in paragraphs (3) and (4), the Ministry of Justice shall additionally notify the organization about it and shall give it an additional term of two months to comply.
 - (5) Upon the coming into effect of this law, the mandate of the members of the Certification Commission shall end and, within 3 months, a new Certification Commission shall be set up.
 - (6) Upon the coming into effect of this law, the following shall be abrogated: Law no.837-XIII of 17 May 1996 on Civic Associations (republished in the Official Gazette of the Republic of Moldova, 2007, no.153-156BIS), with the subsequent amendments and completions and the Law no.581-XIV of 30 July 1999 on Foundations (Official Gazette of the Republic of Moldova, 1999, no.118-119, art.556).
 - (7) Until the Government approves the fee for the registration of noncommercial organizations, the amount of the fee shall be 90 lei.

Related framework

PARLIAMENT OF THE REPUBLIC OF MOLDOVA

L A W

for amending and completing the Civil Code

Art.I. – The Civil Code of the Republic of Moldova nr.1107-XV of 6 June 2002 (Official Gazette of the Republic of Moldova, 2002, no.82-86, art.661), with the subsequent amendments, shall be amended and completed as follows:

1. In article 180:
 - 1) paragraph (1), the word “main” shall be added before the word “purpose”.
 - 2) paragraph (2), letter c) shall be completed at the end with the word “private”.

2. Article 181 shall be edited and have the following content:

Article 181. The Association

- (1) Association is the noncommercial organization voluntarily established by at least two persons, as provided by law, to satisfy some noncommercial needs.
- (2) The association may have the form of civic association, religious entity or a component part thereof, party or another social-political organization, trade union, employer’s organization, other forms under the law.
- (3) In the association, the membership is recorded.
- (4) The assets assigned to the association by the founders (members) shall be its property. The association shall use such assets for the purposes established in its statute.
- (5) The members do not keep their rights on the assets assigned to the association into ownership or on the membership fees. They are not liable for the association’s obligations and the association is not liable for the obligations of its members.
- (6) The specific features of the establishment, activities, legal status of various types of associations shall be established by law.

3. In article 182, paragraph (1), the phrase “individuals and legal entities” shall be removed.
4. Articles 185-186 and 188 shall be edited and have the following content:

Article 186. The statute of the noncommercial organization

- (1) The nongovernmental organization shall act on the basis of its statute if the law does not provide otherwise.
- (2) The statute shall be signed by all the founders if the law does not provide otherwise.
- (3) The statute of the noncommercial organization shall indicate:
 - a) Its legal form of organization;
 - b) Its name;
 - c) goals for which it was established;
 - d) procedure of establishment, reorganization and termination of activities;
 - e) managing and control bodies, the manner of their appointment, competence and duration of their mandates;
 - f) manner of appointment of the administrator;
 - g) manner used to assure the transparency of its activities;
 - h) other data established by law.
- (4) The statute may also provide for other clauses that do not contravene the law.

Article 188. Economic activities of the noncommercial organization

The noncommercial organization has the right to carry out economic activities. Economic activities can be carried out directly by the noncommercial organization or by forming, under the law, legal entities with lucrative goal.

5. **Articles 190 and 191 shall be abrogated.**