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**LAW No. 111 of 4 June 2010**  
**On Amending and Completing Law No. 837-XIII of 17 May 1996**  
**On Civic Associations**

Published on 30 July 2010 in *Official Gazette* No. 131-134

The Parliament adopts this organic law.

**Art. I.** – Law No.837-XIII of 17 May 1996 on Civic Associations (republished in the *Official Gazette of the Republic of Moldova*, 2007) with the subsequent amendments, shall be amended and completed as follows:

1. Chapter V shall have the following content:

**“Chapter V**  
**PUBLIC BENEFIT STATUS**

**Article 30.** Public benefit activities

(1) In the sense of this law, public benefit activities shall be the activities of a civic association, carried out in general interest or in the interest of a local community that, being carried out free of charge or at reduced price for disadvantaged persons or groups, contribute to the development or support of:

- a) education and training of persons, dissemination and accumulation of knowledge;
- b) science;
- c) culture and art;
- d) amateur sports, physical education and social tourism;
- e) healthcare;
- f) social protection of persons with disabilities, pensioners, children, teenagers, displaced persons, families with many children and/or socially vulnerable, other disfavored persons;
- g) creation of new jobs;
- h) eradication of poverty;
- i) promotion of peace, friendship and understanding among peoples, prevention and settlement of civil, social, ethnical and religious conflicts;
- j) protection and promotion of democracy and human rights;
- k) environmental protection;
- l) protection of cultural heritage and historical monuments;
- m) prevention of criminality and contribution to its deterrence.

(2) The Certification Commission may decide to consider as public benefit activities also other activities than those mentioned in para. (1).

**Article 30<sup>1</sup>.** Conditions for assigning the public benefit status

(1) The public benefit status shall be assigned to a civic association that meets the following conditions:

- a) has the status of civic association and has been active for at least one year;
- b) the charter of the civic association includes goals exclusively related to carrying out public benefit activities;
- c) beneficiaries of the outcome of public benefit activities of the association to which the public benefit status is assigned cannot be persons who have the capacity of founder, member or employee of such association, nor persons who are in kinship relations up to 3<sup>rd</sup> level inclusive or in in-law relations up to 2<sup>nd</sup> level inclusive with one of the persons mentioned, except for the members of the associations founded on a mutual interest principle who are part of the category of social vulnerable persons, if the Certification Commission adopts a decision in this regard.

(2) The charter of a civic association that requests the public benefit status shall contain provisions about the following:

- a) impossibility of distributing the property and revenues among its members and founders,

including in case of reorganization or liquidation, and use of property and revenues exclusively for the purposes stipulated in the charter;

b) impossibility of supporting, within public authorities elections, an electoral competitor or candidate to an office within public authorities, as well as the impossibility of using its revenues or assets to fund them.

(3) The organizational structure of the civic association that requests the public benefit status shall comply with the legal requirements and meet the following conditions:

a) supervision by the council and audit by the control and revision body of the civic association must be ensured;

b) the supervisory body (council) of the civic association that requests the public benefit status must comprise at least 3 persons who are not related (relatives or in-laws up to 3<sup>rd</sup> level inclusive) and must observe the rules for avoiding conflicts of interest; the members of the supervisory body (council) must not be at the same time members of the executive body of the same association;

c) the control and revision body must verify the association's activities as necessary but not more rarely than once a year.

(4) The civic association that requests the public benefit status must carry out its activities in a transparent manner which shall be especially displayed through the publication in the media (including on the association's website) of its annual reports and their submission to the registration body within maximum 3 months from the year-end. The annual report shall include the following:

a) activity report according to the sample report approved by the Certification Commission that shall also include the categories of beneficiaries and the outcomes of public utility activities;

b) financial statement, to include the financial report for the past year of operation, to be prepared according to the accounting standards; information about the civic association's sources of funding, including about the financial means or assets obtained, as well as data about the use of such means, including general expenditures and administrative costs.

(5) The civic association that requests the public benefit status shall not have debts to the national public budget.

(6) The conditions stipulated in paras. (1) – (5) must be fulfilled in cumulation.

### **Article 31. Certification Commission**

(1) The Certification Commission is the body empowered to grant and certify the public benefit status. The Commission operates under the Ministry of Justice based on a regulation approved by the Government.

(2) The Certification Commission comprises 9 members, 3 of whom are appointed by the Moldovan President, 3 by the Parliament and 3 by the Government. The members of the Certification Commission are appointed as a result of an open and transparent selection process. At least 2 of the 3 members appointed by each body must be representatives of public benefit civic associations that have had this status for at least 3 years. The members of the Certification Commission, appointed as representatives of public benefit civic associations, are selected by appointment from the joint list of candidates proposed by at least 3 public benefit civic associations.

(3) Candidate for membership of the Certification Commission can be the person who:

a) speaks the state language;

b) is domiciled in the Republic of Moldova;

c) enjoys irreproachable reputation;

d) is not public officer;

e) is supported by the recommendations of at least two public benefit civic associations.

(4) The mandate of member of the Certification Commission shall cease in case of:

a) expiration of mandate duration;

b) revocation;

- c) resignation;
  - d) death.
- (5) A member of the Certification Commission shall be revoked if he/she:
- a) has been convicted of a crime by a final and irrevocable court judgment;
  - b) is in the impossibility, for health reasons, to carry out his/her duties for more than 4 consecutive months;
  - c) has been declared missing in accordance with the law;
  - d) is active within a political party or social-political organization.
- (6) The members of the Certification Commission are appointed for 5 years and shall exercise their mandates until the new members enter their offices.
- (7) The President of the Certification Commission shall be elected by secret ballot from amongst its members, by a majority of their votes.
- (8) Members of the Certification Commission can hold maximum two mandates.
- (9) The keeping of secretariat works of the Certification Commission shall be ensured by the Ministry of Justice.
- (10) The Certification Commission shall meet not less than once a month. The Commission's meetings shall be public. The date and hour of the meetings shall be established by the President of the Commission after having consulted with the members. This information shall be brought to the knowledge of the Commission's members and of the public at large by being posted by the Commission's secretary (officer of the Ministry of Justice) in a visible place and on the website of the Ministry of Justice at least 15 days prior to the date established for the meeting.
- (11) Within 3 months from each year-end, the Certification Commission shall publish its activity report for the year ended and an updated list of public benefit civic associations in the *Official Gazette of the Republic of Moldova* and on the website of the Ministry of Justice.
- (12) Decisions of the Certification Commission on granting and withdrawing the public benefit status shall be published in the *Official Gazette of the Republic of Moldova* and on the website of the Ministry of Justice.

### **Article 31<sup>1</sup>. Duties of the Certification Commission**

- (1) The Certification Commission is independent in making decisions and shall have the following duties:
- a) examine reports and documents of the civic associations that request the public benefit status and grants such status;
  - b) receives and examines petitions on issues within its competence;
  - c) warns public benefit civic associations if they violate the law;
  - d) initiates the procedure of withdrawing the public benefit certificate if the association does not comply with the conditions for granting the public benefit status or if the documents submitted contain false information;
  - e) notifies the Ministry of Justice and other competent authorities about the civic associations who have been granted or withdrawn the public benefit status;
  - f) develops rules, forms, instructions, recommendations and sample documents related to the granting of the public benefit status and submits them for approval to the Ministry of Justice that makes them public;
  - g) develops and submits suggestions for improving the legislation to subjects having legislative initiative;
  - h) establishes advisory councils and expert groups for analyzing and debating on issues related to the activity of public benefit civic associations;
  - i) publishes, within 3 months from the year-end, its activity report for the year ended and an updated list of public benefit civic associations in the *Official Gazette of the Republic of Moldova* and on the website of the Ministry of Justice.
- (2) The members of the Certification Commission shall have free access to the files of the civic associations that have the public benefit status or have requested it.

**Article 32.** Documents necessary for requesting public benefit status

A civic association that requests the public utility status shall submit the following documents to the Certification Commission:

- a) a request;
- b) copies of its charter and registration certificate;
- c) activity report on previous year (if it requests the public benefit status for the first time) or for the past three years (for the association that has held the public benefit status), to include information about the projects implemented and activities carried out; amount of funds and/or assets obtained during the reported period; categories of beneficiaries; funds used to cover administrative costs;
- d) financial statement, to include:
  - financial report for the previous year of operation, prepared according to the accounting standards;
  - information about the association's sources of funding, including grants received in the period prior to filing the request, but for no more than 3 years;
  - data about the use of funds and/or assets received, including about general expenditures and administrative costs;
- e) proof about the publication of its annual activity reports in the media (including on its website);
- f) certificate from the State Tax Office confirming absence of debts to the national public budget.

**Article 32<sup>1</sup>.** Procedure of examination of request for granting public benefit status

(1) The Certification Commission shall examine the request for the public benefit status and public benefit certificate within 30 calendar days from the filing of the request and documents indicated in Art. 32, and shall adopt, as the case may be, one of the following three decisions:

- a) to grant the public benefit status and issue public benefit certificate;
- b) to postpone the examination of the request for granting the public benefit status and public benefit certificate;
- c) to reject the request for the public benefit status and public benefit certificate.

(2) The decision on granting the public benefit status and on issuing a public benefit certificate shall be adopted if the applicant has observed the conditions stipulated in Arts.30, 30<sup>1</sup> and 32.

(3) The decision on postponing the examination of the request for granting the public benefit status and public benefit certificate shall be adopted if the documents submitted to the Certification Commission are incomplete. In such case, the Commission shall give maximum 30 days to the applicant to eliminate the drawbacks.

(4) The decision on rejecting the request for the public benefit status and public benefit certificate shall be adopted within maximum 30 days from the submission of the documents stipulated in Art.32 if the applicant has not met the conditions stipulated in Arts.30, 30<sup>1</sup> and 32.

(5) The decision of the Certification Commission shall be reasoned and communicated in writing to the applicant within 5 days from its adoption.

(6) The applicant's representatives are entitled to attend the meeting of the Certification Commission and to interfere with explanations about their request. The Commission's secretary is obliged to invite in writing the applicant at least 7 days prior to the date established for the meeting. The absence of the applicant's representative from the examination meeting shall not serve as grounds for postponing the examination or for rejecting the request.

(7) The public association that has been granted a public benefit status shall receive a public benefit certificate, issued by the Certification Commission, within 5 days from the adoption of the decision.

(8) A civic association acquires the public benefit status from the date of adoption of the decision on granting such status.

(9) The decision on postponing or rejecting the request for the public benefit status and

certificate can be appealed in accordance with the Administrative Review Law.

**Article 32<sup>2</sup>. Public utility certificate**

(1) The certificate of public utility status (hereinafter referred to as the certificate) is an official act that certifies the status of public benefit and the public interest character of the activity of a civic association. The model of the certificate shall be approved by the Government.

(2) The certificate shall be issued for 3 years.

(3) The certificate shall serve as grounds for the partial or full exemption of the civic association from taxes, duties and other payment obligations, as well as for granting of support by the state as established by this Law, for granting tax incentives and privileges in accordance with the legal and normative acts in force.

**Article 32<sup>3</sup>. Subregistry of public benefit civic associations**

(1) The subregistry of public benefit civic associations (hereinafter referred to as the subregistry) is an integral part of the State Registry of Noncommercial Organizations, where all public benefit civic associations of Moldova are registered.

(2) The subregistry is kept at the Ministry of Justice.

(3) The following data shall be entered in the subregistry:

a) name of public benefit civic association;

b) date of issuance of certificate and its number;

c) address and contact information of the public benefit civic association;

d) first and last names of the head of the public benefit civic association;

e) identification data of the members of the supervisory body (council) of the public benefit civic association;

f) date of extension of timeframe for the public benefit status, of expiration of timeframe or, as the case may be, of the withdrawal of the public benefit status.

(4) The subregistry shall be kept in the state language.

(5) The subregistry and data contained therein are public.

(6) The Ministry of Justice shall keep the files of all associations that have requested the public benefit status. The files contain all the documents about the association, including those filed upon requesting the public benefit status, the documents prepared by the Certification Commission, and the documents submitted by the association subsequently, during its operation.

**Article 32<sup>4</sup>. Withdrawal of certificate**

(1) The civic association is obliged to observe, throughout the period of the certificate, the conditions that underlay the granting of the public benefit status.

(2) If violations of the conditions stipulated in Arts.30 and 30<sup>1</sup> on granting the public benefit status are established, the Certification Commission shall warn the respective association about the violations found and shall request that it eliminate them within maximum 60 days. If the association has not eliminated the violations in the timeframe mentioned, the Commission shall adopt a decision on withdrawing its certificate. The decision on withdrawing the certificate can be appealed in accordance with the Administrative Review Law.

(3) If the decision on withdrawing the certificate has been appealed under the Administrative Review Law, the said decision shall be suspended until the administrative review court adopts a final judgment.

(4) Withdrawal of the certificate shall constitute grounds for termination of tax and non-tax incentives related to the public benefit status.

(5) The Certification Commission shall notify the State Tax Service about the court judgment on withdrawing the certificate. The incentives granted in relation to the public benefit status shall cease upon withdrawal of the certificate.

**Article 32<sup>5</sup>. Control of compliance with public benefit status**

(1) The control of compliance with the public benefit status shall be conducted by the Certification Commission.

(2) In performing its control duties, the Certification Commission is entitled to:

- a) request information about the activities of the civic association related to the public benefit status;
- b) ask written explanation from the civic association's bodies and its members;
- c) notify empowered bodies about the control of observance of legislation, including tax legislation;
- d) ask and receive from public authorities the necessary information for the control;
- e) request from civic associations copies of documents and/or original documents, as necessary;
- f) attend activities of civic associations;
- g) exercise other rights stipulated by the legal acts.

(3) In order to exert control over the activities of public benefit civic associations, the Certification Commission is entitled to establish control groups, including with specialists in the area.

(4) The public utility civic association is obliged to submit to the Certification Commission its annual report, a copy of the income declaration submitted to the State Tax Service and a copy of the reports submitted to the National Bureau of Statistics for the previous fiscal year, signed by the head of the association and having its stamp on them. Submission of the said documents to the Certification Commission shall exempt the public benefit association from the obligation to submit an annual report to the Ministry of Justice.

### **Article 33. Principles and forms of support to public benefit civic associations**

(1) The state's policy for supporting public benefit civic associations is based on the following principles:

- a) ensuring the right of public benefit civic associations to participate in the formation and implementation of public policies;
- b) ensuring an efficient achievement of programs and public projects by actively involving public benefit civic associations;
- c) transparency and advertising of procedures of providing support in any form, especially by organizing open, transparent and public contests and in equal conditions of participation in such procedures;
- d) provision of tax incentives to public benefit civic associations as established by law;
- e) budgetary planning of expenditures meant for the support of public benefit civic associations;
- f) control by public authorities of the use according to their destination of budgetary funds allocated to public benefit civic associations.

(2) Central and local public authorities shall support public benefit civic associations by:

- a) implementing mechanisms for deducting and redirecting income tax;
- b) renting to them, in preferential conditions, space for activities or renting out such space free of charge;
- c) funding and subsidizing programs, projects and activities proposed by public benefit civic associations;
- d) placing social orders.

(3) Public authorities can carry out together with public benefit civic associations public interest activities in the social area and in other areas based on cooperation agreements. This form of support does not obligatorily imply a transfer of funds to the association.

### **Article 33<sup>1</sup>. Procedure of providing financial or material support to public benefit associations**

(1) The decision on providing financial or material support to a public benefit civic association shall be adopted, after having conducted a public tender, by a commission formed of



representatives of the public authority, of public benefit associations that do not participate in the funding contest, and of independent experts.

(2) Public authorities shall ensure the advertising and transparency of the organization of the contest for obtaining financial or material support. The announcement and conditions for holding the contest shall be published in the media at least 2 months in advance from the deadline for submitting programs, projects and proposals for activities.

(3) The general criteria for evaluating the requests for financial or material support are as follows:

a) character and level of public benefit of the goals and tasks invoked in the request for financial or material support;

b) importance and efficiency of the actions proposed by the public benefit civic associations for achieving the goals set forth in the contest organization conditions;

c) sufficiency of human, technical and financial capacities in the public benefit civic association for carrying out the actions established.

(4) The financial or material support of programs, projects and activities of public benefit associations shall be done based on a contract signed with the public authority that has adopted the decision on financial or material support. The contract shall include clauses about the amounts or assets granted; timeframes for the capitalization of the financial or material support; obligations of parties (including the obligation to use the means according to their destination and the obligation to submit the reports); and about the consequences of the failure to execute or undue execution of contractual obligations.

### **Article 33<sup>2</sup>. Social order**

(1) Social order is one of the forms for implementing the social programs organized by the public authorities. It represents a totality of contracts for the execution of works and/or provision of services in the community interest.

(2) The public authority shall prepare the list and plan the amount of works and services to be executed/provided through the social order. The order shall be funded from the budget of the public authority that initiates it.

(3) The social order shall be done by public contest, according to the legislation on public procurement, with the specific features established by this law. Only public benefit civic associations shall participate in social order contests.

(4) The public benefit civic associations that participate in social order contests must have the necessary conditions for executing the order that is placed, including equipment and other assets, qualified staff with experience in the area and good reputation, able to attract volunteers and additional funds.

(5) When placing the social order, no guarantees shall be requested for the bid or measures to secure the contract.

### **Article 33<sup>3</sup>. Liability for fraudulent use of support provided by the state**

(1) Public benefit civic associations and responsible persons within them who violate the legislation in using the support granted by the state shall be held liable in accordance with the law.

(2) The body that has sanctioned a public benefit civic association for the fraudulent use of the support provided by the public authorities is obliged to notify about this the Certification Commission within 15 days from the date when the sanction was imposed. If the sanction has been appealed in court, the respective body is obliged to notify the Certification Commission about this within 5 days from the date when the court judgment became final.

(3) The public benefit civic association whose certificate has been withdrawn for changing the destination of the support provided by the public authorities cannot hold a public benefit status for 3 years from the date when the sanction was imposed”.

2. Article 36 shall be completed with para (6) having the following content:

“(6) The assets and funds left after the dissolution of a public benefit civic association after the liabilities have been paid off shall be transferred, upon the decision of the body that administers the dissolution process, to another public benefit civic association that has similar goals to those of the dissolved association.”

**Art. II.** – (1) Civic associations holding the public benefit status upon the coming into effect of this law shall keep this status throughout the validity of their certificates, provided that they meet the requirements stipulated in Art.325 para (4) of Law No. 837-XIII of 17 May 1996 on Civic Associations.

(2) The applications for the public benefit status that are under examination on the date of coming into effect of this law shall be subjected to its provisions.

(3) Until special legal acts are adopted, the provisions of this Law shall apply to foundations and private institutions accordingly.

(4) The Certification Commission that carries out its activity upon the coming into effect of this Law shall carry out the duties stipulated by this Law until the Certification Commission appointed in accordance with this Law convenes.

(5) Civic associations registered until the coming into effect of this Law shall be subject to re-registration.

(6) The civic organizations whose charters were registered before the coming into effect of Law No.178-XVI of 20 July 2007 On Amending and Completing Law No.837-XIII of 17 May 1996 on Civic Associations shall be considered civic associations and their charters shall not be subject to re-registration.

**Art. III.** – The Government, within 6 months:

a) shall develop and submit to the Parliament proposals for aligning the legislation in force with this Law;

b) shall bring its normative acts in accordance with this Law.

SPEAKER OF THE PARLIAMENT

Mihai GHIMPU

No. 111. Chişinău, 4 June 2010.