

**Moldova – an excellent
destination for doing IT**

INFORMATION AND COMMUNICATIONS TECHNOLOGY SECTOR

Third sector of the national economy with a fastest growth rate: **+40-50%** third year in a row, **~7%** of GDP (incl. 3% for IT)

Dedicated policies applied
(**Strategic framework, Law on IT Parks and on IT Visa**)

Highly qualified & multilingual human resource
(over **30k** employed ICT professionals)

Global top 5 by the accessibility of Gigabit Internet
(after Singapore, South Korea, Malta and Monaco)

98% - points of presence of fiber optic backbone network (PoP)

98% - coverage of mobile communications networks (4G)

IT Services and products – one of the main chapters of exports
(surpassed wine exports second year in a row)

IT in Moldova

The fastest growing industry

Government top priority

We needed a solution to:



Boost regional competitiveness



Attract new investments



Create new good paid jobs



Brain drain & business relocation



Support IT entrepreneurship & digital innovation



Generate high value products & services

The Law on IT parks*

- concept & incentives

****In force since 1 Jan 2017***

7% single tax regime

This 7% single tax on sales replaces the entire direct tax burden at the level of resident companies and their employees.

Virtual presence

Resident companies may carry out their activity anywhere in Moldova. No physical presence required in the IT Park.

IT Visa Program

Allows expatriates to get a Moldovan work permit for 2 years (IT specialists) or 4 years (IT managers), with the possibility of further extension.

7% single tax – a unique concept in the world

Replacing the entire direct tax burden for the Company and its employees:

1. Corporate income tax (12%)
2. Personal income tax (12%)
3. Social security contributions due by employer (24%)
4. Health insurance contributions due by employee (9%)
5. Local taxes (depending on region)
6. Road taxes (depending on vehicle)
7. Real estate taxes (0.3%)

7% single tax on sales*

8 years state guarantee

Ensuring that no interventions will be made by the state to the 7% single tax regime until 31 December 2025.

The lowest tax burden in CEE



* But not less than 165 USD monthly per employee

** Does not cover:

- VAT (0% on exports)
- Withholding taxes (6% on dividends and 12% on other payments made to non-residents – under local legislation, more favourable WHT rates might be available under [50 DTTs](#))

Benefits for the employees

**Competitive salary
(gross = net)**

**Full state health insurance
and limited* state social
security benefits**

**No additional taxes on
employment income
obtained within the IT Park**

***375 USD monthly insured income
irrespective of the actual salary received**

SIMPLIFIED TAX COMPLIANCE



**Unique tax
payment**



**Simplified tax
reporting**



**Reduced tax
compliance costs
and interaction with
state authorities**

Moldova IT Park - our journey



01/01 2018

Starting Point

The Government approves the creation of Moldova IT Park for a 10 years period upon the request of 15 private IT companies

31/12 2018

1st year results

338 residents
1.9 billion MDL in sales
6,744 employees (88% IT)
27,900 MDL average salary
30.5 mln MDL investments

Moldova IT Park - our journey

31/12 2019

2nd year results

525 residents

3.65 billion MDL in sales

9,706 employees (87% IT)

30,200 MDL average salary

92 mln MDL investments

International recognition

**One of the best global practices
in promotion and development
of the IT ecosystem**

(ITU Telecom World 2019,
Budapest)

Moldova IT Park - our journey

31/12 2020

3rd year results

658 residents

5 billion MDL in sales

12,029 employees (89% IT)

28,010 MDL average salary

117 mln MDL investments

Regional recognition

Emerging city of the year in SEE (IT development)

CEE Business Services Summit
and Awards 2020

MOLDOVA IT PARK – WHERE ARE WE TODAY?



1000
residents



175+ companies
with foreign
capital



36
countries



415 mUSD
forecasted
sales for 2022



15,100+
employees



500+ newly
created
companies

Who can become residents?

Any legal entity or individual, meeting the following conditions:



is registered in Moldova to carry out business activity on its territory

and



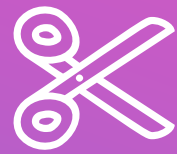
derives more than 70% of sales revenue from eligible activities listed in the Law 77/2016 on IT parks

Eligible activities (>70% revenue)

**annual audit procedures for validating the criteria*



**Software and
games
development**



**IT consulting
and other
services**



**Manufacturing of
microprocessors
and integrated
circuits**



**Hardware
management**



**Data processing
and web
management**



**R&D
(based on high
technologies)**



**Animation and
special effects**



Digital design

Application process



Simple



Timeless



Transparent



Regulated

Application process



1. Submit the application

- ✓ 2 pages simple application form
- ✓ Incorporation documents attached
- ✓ No business plans or feasibility studies required
- ✓ No application fee



2. Receive the confirmation for becoming a resident (within 7 business days)

- ✓ Official confirmation letter
- ✓ Draft contract to be signed with the Administration of Moldova IT Park (template approved by the Government)



3. Become a resident of Moldova IT Park

- ✓ Sign the contract with the Administration of Moldova IT Park within 30 days from receiving the official confirmation
- ✓ We issue a certificate of residency
- ✓ Apply the single tax regime starting the next month

Application process



1. Submit the application

- ✓ 2 pages simple application form
- ✓ Incorporation documents attached
- ✓ No business plans or feasibility studies required
- ✓ No application fee



2. Receive the confirmation for becoming a resident (within 7 business days)

- ✓ Official confirmation letter
- ✓ Draft contract to be signed with the Administration of Moldova IT Park (template approved by the Government)



3. Become a resident of Moldova IT Park

- ✓ Sign the contract with the Administration of Moldova IT Park within 30 days from receiving the official confirmation
- ✓ We issue a certificate of residency
- ✓ Apply the single tax regime starting the next month

Application process



1. Submit the application

- ✓ 2 pages simple application form
- ✓ Incorporation documents attached
- ✓ No business plans or feasibility studies required
- ✓ No application fee



2. Receive the confirmation for becoming a resident (within 7 business days)

- ✓ Official confirmation letter
- ✓ Draft contract to be signed with the Administration of Moldova IT Park (template approved by the Government)



3. Become a resident of Moldova IT Park

- ✓ Sign the contract with the Administration of Moldova IT Park within 30 days from receiving the official confirmation
- ✓ We issue a certificate of residency
- ✓ Apply the single tax regime starting the next month

Contractual liabilities

Residency fee

For 2022 stands at 111 USD per month for a company having an annual turnover of 1 000 000 USD

Quarterly reports

By 25th Apr/Jul/Oct/Jan

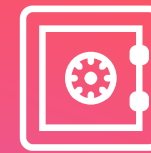
Annual audit procedures

- *Meant to validate the compliance with the conditions set by law*
 - *By 30th April of the next year*
 - *Audit company selected by the resident*

MOLDOVA'S IT ADVANTAGES



**Fiscal and
immigration
incentives**



**Good technical
education**



**Excellent
foreign
language skills**



**E-Government
excellence**



**Low
operational
costs**



**Proximity in
culture and
distance from
the EU**



**An advanced
and reliable ICT
infrastructure**

www.moldovaitpark.md