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## Economic Commission for Europe

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**Country studies: Kyrgyzstan and  
the Republic of Moldova**

## **Revised Economic Commission for Europe Study on Regulatory and Procedural Barriers to Trade in the Republic of Moldova: Findings and Recommendations\***

**Submitted by the secretariat**

### *Summary*

At the seventh session of the Steering Committee on Trade Capacity and Standards, the Republic of Moldova made a capacity-building request to support efforts in enhancing trade facilitation conditions. In response to this request, Economic Commission for Europe (ECE) conducted a follow-up Study on Regulatory and Procedural Barriers to Trade in the Republic of Moldova with a focus on trade facilitation. The Study provides an assessment of the trade facilitation framework in the Republic of Moldova taking into account the country's implementation of the World Trade Organisation Trade Facilitation Agreement, related commitments and the legal environment supporting its implementation. The findings aim to assist the Republic of Moldova in delivering on Agenda 2030 for Sustainable Development. It is based on desk research that was carried out from November 2022 to March 2023 under the ECE Regular Programme of Technical Cooperation for 2022 and is built on previous ECE capacity-building activities for the Republic of Moldova. ECE stands ready to assist the Government of the Republic of Moldova in implementing the recommendations.

The document is presented to the Steering Committee on Trade Capacity and Standards for decision.

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\* This document has not been formally edited by ECE.

## I. Introduction

1. The Republic of Moldova is a small landlocked country with a population of 2.6 million people, located on the Eastern frontier of the European Union between Romania and Ukraine. After gaining its independence in 1991, the Republic of Moldova experienced a period of transition from a planned economy to a market economy, which resulted in high economic growth rates, which averaged 5.1 per cent over 2000 – 2010. While since 2012, the GDP growth rates have slowed down (averaging 3.5 per cent per year), the GDP per capita amounted to USD 5230.6 (a double increase in comparison to 2015).<sup>1</sup> The country's economy is dominated by the services sector with a fast development of the information and communication technology (ITC) sector. Agriculture (oil seeds, fruit, cereals), followed by the textiles and metallurgy industries, also play an important role, especially in employment generation.

2. Integration in the world economy through trade policy reforms has been a key objective of the Republic of Moldova's development agenda since its independence. The Republic of Moldova became one of the first post-Soviet countries to join the World Trade Organisation (WTO) in 2001. The Republic of Moldova actively participates in discussions and initiatives of the WTO, also on new topics. The country is a party to two plurilateral WTO agreements – the Information Technology Agreement and the Agreement on Government Procurement. The Republic of Moldova ratified the Agreement on Trade Facilitation (TFA) on 24 June 2016.

3. The Government has also made continuous efforts to expand market access and deepen trade relations through regional integration. The Republic of Moldova has 16 free trade agreements (FTAs) in force encompassing 46 partners: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, the European Union (EU), Georgia, Kazakhstan, UNMIK/Kosovo, the Kyrgyz Republic, North Macedonia, Montenegro, the Russian Federation, Serbia, Tajikistan, Türkiye, Turkmenistan, Ukraine, the United Kingdom, and Uzbekistan. The Republic of Moldova-European Union Association Agreement, signed in June 2014<sup>2</sup> and fully in force since July 2016, established the Deep and Comprehensive Free Trade Area (DCFTA), which foresees a gradual approximation of legislation, rules, and procedures of the Republic of Moldova with those of the EU in a wide range of areas. In March 2022, the Republic of Moldova applied for EU membership and more recently the two parties agreed to strengthen cooperation in customs processes.<sup>3</sup> Furthermore, the Republic of Moldova has finalized the FTA negotiations with the European Free Trade Association (Switzerland, Norway, Iceland and Liechtenstein) on 24 March 2023 and the FTA is planned to be signed on 27 June 2023 in Liechtenstein.

4. Accession to the WTO and the relevant trade policy reforms, focused on trade liberalisation and enhanced competition, have contributed to increased trade volumes since the 2000s. Exports during this period increased sixfold, from around USD 500 million in 2000 to more than USD 3000 million in 2021.<sup>4</sup> In particular, the share of trade with the EU countries has been increasing, accounting for 52.2 per cent of the country's total trade in 2021, reaching 61 per cent of Moldova's total exports to the EU market.<sup>5</sup>

5. Improving trade facilitation conditions is particularly relevant for landlocked economies, such as the Republic of Moldova, that have to face increased transport costs for their commerce. Following the ratification of the WTO TFA by the Republic of Moldova, the National Trade Facilitation Committee (NTFC) was established on 25 January 2017 as part of the Economic Council to the Prime Minister. To support the Agreement's

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<sup>1</sup> World Bank Group data, available at <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=MD>.

<sup>2</sup> The agreement applied provisionally since 2014.

<sup>3</sup> The new agreement between the EU and Republic of Moldova, which entered into force on 1 November 2022, aims to mutually recognise each other's Authorized Economic Operators (AEOs) programmes.

<sup>4</sup> ITC, Trade Map, available at <https://www.trademap.org/Index.aspx>.

<sup>5</sup> Available at [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/moldova\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/moldova_en).

implementation, a National Action Plan for Trade Facilitation for the period 2018-2020 was adopted on 12 December 2017. The Plan, which was developed incorporating a direct contribution of the recommendations of the ECE Study on Regulatory and Procedural Barriers to Trade in the Republic of Moldova undertaken in year 2017,<sup>6</sup> was presented by the Government of the Republic of Moldova at the WTO Committee on Trade Facilitation on 2 May 2018.<sup>7</sup> As part of this Plan, the Republic of Moldova has undertaken a series of reforms and initiatives to streamline, facilitate, and simplify trade procedures and regulations.

6. Despite significant progress in trade facilitation, the Republic of Moldova requires further actions and assistance in this area. This is evidenced by the numbers. As of February 2023, the Republic of Moldova is still to implement the remaining 22.7 per cent of WTO TFA commitments. Also, as suggested by the ECE Regional Report on Digital and Sustainable Trade Facilitation,<sup>8</sup> which covers a broader spectrum of measures than the WTO TFA, the Republic of Moldova (with its 62 per cent) slightly lags behind both the global implementation rate (i.e., 65 per cent) as well as the ECE rate (i.e., 75 per cent).<sup>9</sup>

7. At the seventh session of the Steering Committee on Trade Capacity and Standards, the Republic of Moldova made a capacity-building request to support efforts in enhancing trade facilitation conditions.<sup>10</sup> In response to this request, ECE conducted a follow-up Study on Regulatory and Procedural Barriers to Trade in the Republic of Moldova with a focus on trade facilitation. The Study provides an overview of the trade facilitation framework of the Republic of Moldova and identifies the remaining needs in the implementation of the WTO TFA. It is based on desk research that was carried out from November 2022 to March 2023 under the ECE Regular Programme of Technical Cooperation for 2022 and is built on previous ECE capacity-building activities for the Republic of Moldova.

8. The Study focuses on the following areas: the trade regime of the Republic of Moldova, including the trade facilitation environment; the country's WTO TFA commitments; remaining commitments and notifications; and related needs assessment. The Study presents recommendations taking into account ECE tools. In addition, the ECE prepared a training course for the Government of the Republic of Moldova on the implementation of the TFA, including through the available WTO and ECE trade-related tools.

## II. Key findings

9. Since 2015, the Republic of Moldova has undertaken a series of reforms and implemented initiatives targeted to streamline, facilitate, and simplify trade procedures and regulations to improve the business climate. Trade and digitalization policies and reforms have been implemented to enable the Republic of Moldova to increase participation in the regional and global value chains and to contribute to inclusive, sustainable economic growth. The comprehensive legal and regulatory trade-related frameworks include laws and regulations related to customs organization and provisions on the import and export of goods, transit operations, preferential origin, the Authorized Economic Operator programme (AEO), including more recently, the Mutual Recognition of AEO Programs between the Republic of

<sup>6</sup> Available at <https://unece.org/info/publications/pub/2479>.

<sup>7</sup> Available at [https://www.wto.org/english/tratop\\_e/tradfa\\_e/comm\\_e/meet2-3may\\_ntfc\\_moldova\\_e.pdf](https://www.wto.org/english/tratop_e/tradfa_e/comm_e/meet2-3may_ntfc_moldova_e.pdf)

<sup>8</sup> This Survey looks at the implementation of the TFA articles as well as measures not directly referenced under the WTO TFA [https://unece.org/sites/default/files/2021-11/ECE\\_TRADE\\_467\\_UNECE\\_Regional\\_Report.pdf](https://unece.org/sites/default/files/2021-11/ECE_TRADE_467_UNECE_Regional_Report.pdf). The collection of the data for the new edition of the Survey was launched in February 2023 and the new results to be available in July 2023, available at <https://unece.org/covid-19/press/launch-2023-un-global-survey-digital-and-sustainable-trade-facilitation>.

<sup>9</sup> ECE Survey uses different methodology in comparison to the WTO TFA implementation rate as it covers a broader range of issues related to the trade facilitation framework in a country. For additional detail, see <https://unece.org/trade/outreach-support-TF/global-survey-digital-and-sustainable-trade-facilitation>.

<sup>10</sup> ECE, Report of the Steering Committee on Trade Capacity and Standards on its seventh session, para 97. Available at [https://unece.org/sites/default/files/2023-01/ECE\\_CTCS\\_2022\\_2E.pdf](https://unece.org/sites/default/files/2023-01/ECE_CTCS_2022_2E.pdf).

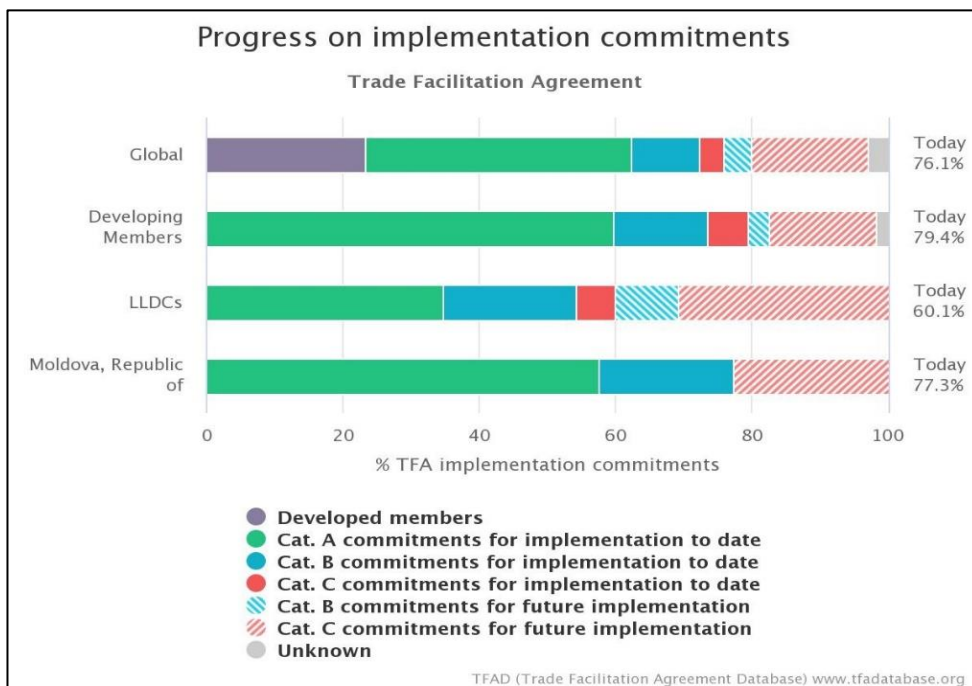
Moldova and the Member States of the European Union, as well as appeal and review procedures. Most of the trade-related information has been published online.

10. Recognizing that simplification and harmonization of customs procedures have a great potential to reduce compliance costs, increase the efficiency of customs control and create a more predictable and accessible environment to economic operators, the Republic of Moldova has been enhancing its customs operations to create a more efficient and effective administration, being among the leader countries in the region.

11. In light of the integration processes with the EU in recent years, the Customs Service has been in the full process of modernization in line with EU requirements with the objective of maximizing efficiency in the customs clearance process. The Republic of Moldova was the first country to implement ASYCUDA World in 2005 (without UNCTAD in-country assistance since 2006).<sup>11</sup> In 2020, the Automated System for Customs Data (ASYCUDA)<sup>12</sup> World was upgraded to its recent version AW 4.3.2. In September 2022, the Customs Service has started piloting<sup>13</sup> the ASYCUDA Postal Customs Declaration module within ASYCUDA World. Among the main anticipated benefits of this pilot project is that upon implementation it could strengthen the export competitiveness of SMEs through the streamlining of e-commerce procedures as well as simplified and harmonised export/import services.

12. The Republic of Moldova has achieved significant progress with the WTO TFA implementation. As of March 2023, the implementation rate of the WTO TFA commitments of the Republic of Moldova stands at 77.3 per cent with a time frame spanning from February 2017 to December 2025. Its implementation rate exceeds the global rate of WTO TFA implementation commitments, being close to the average implementation rate of developing economies and is higher than the average implementation rate of Landlocked Developing Countries (LLDCs) (below). Notably, the *de facto* implementation rate might be even higher since the Republic of Moldova implemented in advance some C type commitments without notifying them yet to the WTO.

**Implementation rate of WTO TFA – the Republic of Moldova, developing countries, LLDCs and global, 2023**



<sup>11</sup> See: <https://asycuda.org/wp-content/uploads/2020/ASYCUDA%20Compendium%202020%20-%20Moldova.pdf>.

<sup>12</sup> The Customs has used this system since 2006.

<sup>13</sup> Asycuda News, “Moldova Piloting ASYCUDA Postal Customs Declaration Module”, September 12, 2022, available at <https://asycuda.org/en/enabling-advanced-electronic-exchange-of-data-between-posts-and-customs/>.

Source: WTO TFA Database, last assessed 6 March 2023.

## A. WTO TFA implementation and notification status

13. The WTO TFA provides for three categories of provisions in relation to developing and least-developing countries (LDC) Members: Category A, Category B, and Category C. The Members are to self-designate the provisions that fall under each of the categories. The difference in categories relates to the time the Member has to implement provisions consistent with the WTO TFA, with Category A provisions requiring the shortest time for implementation and Category C requiring additional capacity building using support to be provided by developed countries. As part of the WTO TFA implementation process, developing and least-developing countries (LDC) Members can also request an extension from the WTO Trade Facilitation Committee if it experiences difficulties in implementing a provision in Category B or C by the date it had notified.

14. Following up on the notification dated 19 September 2014 (WT/PCTF/N/MDA/1), in which the Republic of Moldova, as a developing WTO member, indicated its category A commitments (comprising 57.6 per cent), the country notified the indicative dates for implementation of B (19.7 per cent) and C categories (22.7 per cent due for implementation) in February 2018. On 22 August 2019, the Republic of Moldova submitted an addendum to the Notification of Category Commitments under the TFA.<sup>14</sup> The addendum includes the definitive dates for implementation of Category C commitments and the Assistance and Support for Capacity Building Required for Implementation. While the Republic of Moldova notified areas where assistance and support for capacity building are required for implementation, donor arrangements are yet to be made.<sup>15</sup>

15. During this time, the Republic of Moldova implemented WTO TFA Category A and B commitments (reaching 77.3 per cent). The remaining WTO TFA commitments pertain to those measures designated by the country as Category C,<sup>16</sup> and thus, their implementation hinges upon technical assistance and capacity-building support. These measures include 54 WTO TFA provisions related to five WTO TFA articles<sup>17</sup> and seven measures, whose definitive implementation date is 31 December 2025.

16. Besides the commitments under categories A, B and C and related notification of categories A, B and C designations and different timelines for the notification of indicative and definitive dates for the implementation of categories B and C commitments, the TFA requires to submit technical assistance required for the implementation of category C commitments. The Republic of Moldova submitted the notification regarding technical assistance requirements in February 2018. As of March 2023, there are two outstanding notifications related to technical assistance support, namely on arrangements on the provision of technical assistance support; and on progress in the provision of technical assistance support.

## B. Measuring the progress in the context of the nature of the WTO TFA measures

17. The WTO TFA is a unique agreement since it features several implementation flexibilities that should be underscored. First, the WTO TFA reflects an understanding that without external technical assistance and capacity-building support developing and least

<sup>14</sup> Available at <https://www.tfadatabase.org/en/uploads/notification/NMDA1A2.pdf>.

<sup>15</sup> Developing and least developed country Members have to notify their requirements for assistance and support for capacity building in order to implement the provisions of the category C (Article 16.2d for LDC Members and 16.1.c for developing country Members).

<sup>16</sup> For Category C provisions, after one year of entry into force of the WTO TFA, the developing country Members must inform the Committee regarding the capacity building arrangements entered into with the help of donor Members (see Article 16.1(d) WTO TFA).

<sup>17</sup> Article 1 Publication and Availability of Information; Article 5 Other Measures to Enhance Impartiality, Non-Discrimination and Transparency; Article 7 Release and Clearance of Goods; Article 10 Formalities Connected with Importation, Exportation and Transit; and Article 11 Freedom of Transit.

developed countries (LDC) Members may not be able to implement some or all of the technical measures (i.e., Category C measures). Therefore, there is an understanding that Members themselves should determine what support they require and when they will be prepared to implement each measure.

18. The second peculiarity of the WTO TFA is that the majority of measures are written in language that does not mandate ('shall' or 'shall not') but rather requires 'best efforts' implementation of particular measures. Under these best endeavour provisions, a WTO Member is 'encouraged' or obligated 'to the extent practicable', or 'as appropriate', to implement a particular measure in a manner it deems suitable to its capacity and specific legal, technical or other local factors. Many measures also have a mixed nature, when they combine both mandatory and best endeavour provisions.

19. Bearing these operational features of the WTO TFA in mind, it should be mentioned that the fact that the Republic of Moldova conditioned its implementation schedule (i.e., Category C measures) on the receipt of the technical and capacity-building support it deems necessary is in line and is, actually promoted by the Agreement. Therefore, it is not illustrative of the lack of the country's goodwill or of commitment to implement the Agreement in full. Rather this points out the remaining outstanding needs which, in most instances, depending on the receipt of necessary technical and capacity-building support

20. Furthermore, not all measures contain strong obligations, recognising that implementation of some of them could not be feasible or practicable. Therefore, such measures (or means of their implementation) are left to an implementing country to determine. Most of the measures that are still due to be implemented by the Republic of Moldova contain this language (see Table 1),<sup>18</sup> bringing some degree of flexibility in compliance with particular obligations and defining the nature of the recommendations provided in Table A.1.

Table 1.

**The nature of outstanding WTO TFA commitments of the Republic of Moldova<sup>19</sup>**

<i>Measure</i>	<i>The obligation explained</i>	<i>The nature of the obligation: mandatory/best endeavour/mixed<sup>20</sup></i>	<i>The status of the obligation: fulfilled (F)/not fulfilled (NF)/not fully fulfilled (NFF)</i>
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**Article 1: Publication and Availability of Information**

Paragraph 2. Information available through internet 1.2.1 (a), (b), 1.2.2. 1.2.3	Article 1.2.1 of the TFA introduces obligation to make available, through the internet information on procedures for importation, exportation, and transit, the forms and documents required for importation into, exportation from, or transit through the territory of that Member as well as contact information on its enquiry point(s).	Mandatory	F
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<sup>18</sup> The list of outstanding measures is based on the notification made by the Republic of Moldova in 2019 and may not fully capture the progress that has been achieved to date. Therefore, the Table 1 also identifies the areas where the progress has been achieved and where additional actions may be either pending or recommended.

<sup>19</sup> This is an advance version of the assessment. The final Study will take into account the feedback of the Government of the Republic of Moldova.

<sup>20</sup> Hamanaka, Shintaro. 2014. World Trade Organization Agreement on Trade Facilitation: Assessing the Level of Ambition and Likely Impacts. Asian Development Bank. Available at <https://www.adb.org/publications/world-trade-organization-agreement-trade-facilitation-assessing-level-ambition-likely-impacts>.

<i>Measure</i>	<i>The obligation explained</i>	<i>The nature of the obligation: mandatory/best endeavour/mixed<sup>20</sup></i>	<i>The status of the obligation: fulfilled (F)/not fulfilled (NF)/not fully fulfilled (NFF)</i>
	Article 1.2.1 also <b>requests WTO Members to update their website(s) in order to provide the most accurate information to relevant stakeholders.</b> Nonetheless, <b>the obligation to update was to some extent neutralized by adding the terms ‘to the extent possible’ and ‘as appropriate’.</b> In other words, both terms bring some degree of flexibility in the compliance of the obligation to update.	Best endeavour	F

#### Article 5: Other Measures to enhance impartiality, non-discrimination and Transparency

Paragraph 5.1 (a), (b), (c), (d)	According to this paragraph of Article 5, Members must quickly terminate or suspend the notification of controls as soon as the underlying risk no longer exists, or if changed circumstances allow for a re-evaluation of the notification in a less trade restrictive manner. <b>It is important to clarify that this provision is only applicable when the WTO Member has set up or maintains a system of issuing notifications or guidance to enhance border controls for foods, beverages or feedstuffs. The TFA does not require WTO Members to establish rapid alert systems.</b> This measure remains silent on the procedural aspects of notifications or alerts, including the specific means of announcement of termination or suspension. Members are, therefore, <b>free in establishing and maintain these systems</b> in the way they deem to be fit for purpose.	Mixed	NFF
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#### Article 7: Release and Clearance of Goods

Paragraph 1. Pre-arrival processing 7.1.1; 7.1.2	Article 7.1 binds WTO Members to adopt or maintain procedures allowing the submission of documents, including manifests, prior to the arrival of goods. Members must, thus, adopt or maintain procedures to allow pre-arrival submission of (i) import documentation; (ii) manifests; and (iii) other required information pertaining to the trade transaction, to enable authorities to release goods on arrival (para. 7.1.1).	Mandatory	NF
	This measure also requires WTO Members to set up a mechanism for the advance lodging of import documents in an electronic format. <b>However, this mandatory provision is mitigated by the use of the words ‘as appropriate’ to allow some degree of flexibility in implementation (para. 7.1.2.)</b>	Best endeavour	F

<i>Measure</i>	<i>The obligation explained</i>	<i>The nature of the obligation: mandatory/best endeavour/mixed<sup>20</sup></i>	<i>The status of the obligation: fulfilled (F)/not fulfilled (NF)/not fully fulfilled (NFF)</i>
Paragraph 8. Expedited Shipments 7.8.1 (a), (b), (c), (d), (e), (f), (g), (h); 7.8.2 (a), (b), (c), (d); 7.8.3	<p>This measure requires Members to adopt or maintain procedures to allow the expedited release of at least goods entered through air cargo for those persons who apply for such treatment, while maintaining customs control. The obligation is limited to goods entered through air cargo facilities.</p> <p>However, Members may extend the measure to cargo imported through land or sea. <b>With the use of the word ‘may’, the measure opens up the possibility for Members to require applicants to meet certain conditions</b> (published criteria). Paragraph 7.8.2 lists the procedures that Members must set up for the processing of expedited shipments.</p> <p>The measure does not prescribe in detail the procedures for application of this provision. Each WTO Member can determine a set of procedures and criteria that apply to expedited shipments.</p>	Mixed	NFF
Paragraph 9. Perishable goods 7.9.1 (a), (b); 7.9.2; 7.9.3; 7.9.4	<p>This measure prescribes that WTO Members <b>must allow</b> the quick release of perishable goods, provided all the regulatory requirements have been met, within the shortest possible time. This means granting perishable goods appropriate priority when scheduling examinations and allowing for proper storage prior to release, including release at storage facilities where practicable.</p>	Mandatory	NFF
<b>Article 10: Formalities Connected with Importation, Exportation and Transit</b> Paragraph 4. Single Window 10.4.1; 10.4.2; 10.4.3; 10.4.4	<p>Article 10.4 requires WTO Members <b>to attempt to establish or maintain a SW system</b>, which allows traders to submit through a single-entry point documentation and/or data requirements connected to importation, exportation or transit of goods. WTO Members are <b>required to notify</b> the WTO Committee on Trade Facilitation of the details of operation of their SW (Article 10.4.3).</p> <p>The last paragraph of Article 10.4 requires Members to use information technology to support the establishment and maintenance of the SW. However, the use of the qualifying words ‘to the extent possible and practicable’ introduces a wide degree of flexibility in terms of scope, coverage and technical capacity.</p> <p>The measure does not detail how to establish a fully-fledged SW, providing flexibility for Members to</p>	Best endeavour	F



<i>Measure</i>	<i>The obligation explained</i>	<i>The nature of the obligation: mandatory/best endeavour/mixed<sup>20</sup></i>	<i>The status of the obligation: fulfilled (F)/not fulfilled (NF)/not fully fulfilled (NFF)</i>
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progressively guide transition of all procedures and agencies to a SW system, depending on available resources.

Similarly, the timeline for setting up an operational SW mechanism is not specified and depends on the capacity of participating agencies to integrate ICT. The use of relevant international standards is not mandatory when setting up SW schemes.

### Article 11: Freedom of Transit

Paragraphs 1-3. Transit charges, regulations and formalities	Paragraph 1 <b>requires</b> Members to examine their traffic in transit formalities and regulations to determine if they have out-lived their purpose or if less trade-restrictive alternatives are available, and if so, the Member <b>shall not maintain the formalities.</b>		F
	Paragraph 2 <b>mandates governments not to</b> condition traffic in transit upon collection of fees or charges.	Mandatory	F
	Paragraph 3 states that Members <b>shall not</b> seek, take, or maintain any voluntary restraints or any other similar measures on traffic in transit.		F
Paragraph 4. Strengthened non-discrimination 11.1 (a), (b); 11.2; 11.3; 11.4	According to para. 11.1 (a) and (b), regulations or formalities in connection with traffic in transit imposed by a Member shall not be: (a) maintained if the circumstances or objectives giving rise to their adoption no longer exist or if the changed circumstances or objectives can be addressed in a reasonably available, less trade restrictive manner; (b) applied in a manner that would constitute a disguised restriction on traffic in transit	Mandatory	F
	Paragraph 2 <b>mandates</b> governments not to condition traffic in transit upon collection of fees or charges, except for transportation charges or those charges imposed for administrative expenses, commensurate to the cost of the service rendered.	Mandatory	F
	Paragraph 3 stipulates that Members <b>shall not seek, take, or maintain any voluntary restraints or any other similar measures on traffic in transit but this is without prejudice to existing and future national regulations, bilateral or multilateral arrangements</b> related to regulating transport, consistent with WTO rules.	Mixed	F
	Paragraph 4, in its turn stipulates that each Member <b>shall accord</b> to products which will be in transit through the territory of any other Member treatment no less favourable than that which would be accorded to such products if they were being transported from their place of origin to their destination without going through the territory of such other Member.	Mandatory	F

Paragraphs 5-10. Transit, procedures and controls 11.5; 11.6 (a), (b); 11.7; 11.8; 11.9; 11.10	Paragraph 5 <b>encourages</b> WTO Members to set up separate physical infrastructure – including separate berths, lanes and corridors – to facilitate traffic in transit <b>‘where practicable’</b> . Members are not obliged to enforce this specific provision but are encouraged to do so if there is national capacity and resources.	Best endeavour	F
	Paragraph 6 <b>requires</b> that formalities, documentation requirements, and customs controls in connection with traffic in transit shall not be more burdensome than necessary to identify the goods; and ensure fulfilment of transit requirements.	Mandatory	F
	Paragraph 7 stipulates that once goods have been put under a transit procedure and have been authorized to proceed from the point of origination in a Member's territory, they will not be subject to any customs charges nor unnecessary delays or restrictions until they conclude their transit at the point of destination within the Member's territory.	Mixed	F
	According to para. 8, Members shall not apply technical regulations and conformity assessment procedures within the meaning of the Agreement on Technical Barriers to Trade to goods in transit.	Mandatory	F
	Paragraph 9 binds Members to allow and provide for advance filing and processing of transit documentation and data prior to the arrival of goods.	Mandatory	F
	Paragraph 10 stipulates that once traffic in transit has reached the customs office where it exits the territory of a Member, that office shall promptly terminate the transit operation if transit requirements have been met.	Mandatory	F
Paragraphs 11-15. 11.11; 11.12; 11.13; 11.14; 11.15	The TFA does not prohibit Members to seek guarantees for transit. However, when a <b>guarantee</b> is sought, Article 11 states that this instrument <b>must be limited</b> to ensure that the requirements arising from the traffic in transit are fulfilled (para 11).	Mixed	NFF
	The guarantee <b>shall be discharged</b> without delay (para. 12).	Mandatory	F
	Article 11 also requires Members to allow the submission of comprehensive guarantees covering multiple transactions for the same operator, or renewal of guarantees without discharge for subsequent consignments. However, the use of qualifying language <b>‘in a manner consistent with its laws and regulations’ means that if the guarantee is not consistent or not provided for in national legislation, the obligation to implement this TFA provision would not be required (para 13)</b>	Mixed	F
	To ensure transparency and predictability, the TFA <b>obliges</b> Members to <b>publish relevant</b> information regarding requirements and processes for setting and discharging guarantees (para 14).	Mandatory	NFF

	Paragraph 15 provides for the use of customs convoys Mandatory or escorts only in specific circumstances. Members <b>can only demand</b> the use of customs convoys or escorts for high risk traffic in transit or <b>when guarantees provided are not sufficient to ensure compliance with customs laws and regulations.</b> Members have a binding obligation to publish general rules applicable to custom convoys or escorts in accordance with Article 1 of the TFA, which sets forth the principle of access to information and transparency.		F
Paragraphs 16-17. Cooperation and coordination 11.16 (a), (b), (c); 11.17	The last requirements of Article 11 (paras. 16-17) call WTO Members to attempt to cooperate with each other to enhance traffic in transit. This could be achieved by strengthening reciprocal understanding of the charges that apply to traffic in transit, formalities and legal requirements, and practical aspects of transit management. The legal language ‘ <b>shall endeavour to</b> ’ means that Members are not bound to mutual cooperation but have to demonstrate that they have at least made some effort to reach an understanding (i.e., para.16).  The closing para 17 states that Members must ‘endeavour’ to appoint a focal point for transit coordination to whom all queries and information regarding traffic in transit may be directed. Again, this is not mandatory.	Best endeavour	F

### C. Progress with regard to outstanding Category C measures and outstanding needs

21. According to the respective notifications, the Republic of Moldova has designated five Category C commitments as outstanding, with the definitive date for implementation determined for all of them as of 25 December 2025. More specifically, the outstanding category C commitments include seven measures that relate to five WTO TFA Articles for a total of 54 provisions. These measures include: (i) publication and availability of information (Article 1); (ii) other measures to enhance impartiality, non-discrimination and transparency (Article 5); (iii) release and clearance of goods (Article 7); (iv) formalities connected with importation, exportation and transit, more specifically, the Single Window (Article 10) and (v) Freedom of Transit (Article 11).

22. As of today, while some progress has already been achieved with respect to the implementation of the outstanding commitments in Category C, the country still needs capacity-building support in the implementation of these TFA provisions, which are mostly related to the creation of Single Window, pre-arrival processing, expedited shipment, perishable goods and transit.

23. Table A.1 provides additional information regarding the current state of play and remaining outstanding Category C commitments, including the current standing with respect to the implementation status of a particular measure, further needs and recommendations. This table also specifies which recommendations refer to the mandatory, best endeavour commitments or commitments of a mixed nature. This document only suggests various means for consideration by the Government of the Republic of Moldova, including to further improving trade facilitation conditions in the country based on the existing best practices experiences. The final implementation means are to be chosen by the Republic of Moldova depending on existing capacities and strategic priorities.

### III. Recommendations

24. The Republic of Moldova's WTO TFA implementation rate exceeds the global rate of WTO TFA implementation commitments, and it is higher than the implementation rate of some developing WTO Members. Most of the Category C commitments are partially or fully implemented. The ECE Study provides the current list of capacity needs based on the existing gaps and suggests recommendations for the way forward (see Table A. 1 below).

25. The recommendations under this Study will help the Government to facilitate cross-border trade by making procedures more efficient and thus reap increased benefits from the growth opportunities generated by the global and regional integration initiatives and contribute to the achievement of the UN Sustainable Development Goals (SDGs): including goals 1 (no poverty), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure) and 17 (partnerships for the goals).

26. Implementation of planned trade facilitation measures could be accelerated by using the tools developed under the ECE Economic Cooperation and Trade Division (ECTD). These include standards and best practice recommendations for trade facilitation and electronic businesses (by the United Nations Centre for Trade Facilitation (UN/CEFACT), public-private partnerships, and regulatory cooperation (see Table A. 1 below). UN/CEFACT tools, in particular, provide the practical practices for simplification, harmonization and standardization of regulatory practices and digitalization, including the cross-border exchange of electronic trade data. ECE secretariat stands ready to assist the Government of the Republic of Moldova in implementing the recommendations.

## Annex

Table A. 1.  
**Outstanding needs under the Category C commitments**

<i>TFA measure</i>	<i>The nature of the obligation<sup>1</sup></i>	<i>Current standing</i>	<i>Further needs</i>	<i>Recommendations</i>	<i>Relevant ECE ECTD tools</i>
(1)	(2)	(3)	(4)	(5)	(6)
<b>Article 1: Publication and Availability of Information</b>					
Paragraph 2. Information available through internet 2.1 (a), (b), 1.2.2. 1.2.3	Best endeavour	Information is available on the Trade Information Portal of Republic of Moldova. <sup>2</sup>  Most of the trade-related information is made available in English.	Implement procedures for updating and reviewing the information.  Provide staff with necessary training to prepare and keep up to date the procedures and technical guides.  Expand the list of available trade-related information to include, e.g., applied rates of duties and taxes; rules for the classification or valuation of products for customs purposes; penalty provisions for breaches of import, export, or transit formalities; administration of tariff quotas.	Publish information indicated in column 4.  Establish processes of proper data management: (i) ensure the information available is accurate, relevant and prompt; (ii) establish procedures for periodic review and updating published information.  Ensure a sufficient number of competent subject-matter experts and support staff is available to prepare and keep the procedures and practical guides for import/export/ transit procedures up to date.	Recommendation 38 – Trade Information Portals.  ECE Study on Regulatory and Procedural Barriers to Trade in the Republic of Moldova.

<sup>1</sup>For more details see Table 1.

<sup>2</sup>Available at <https://trade.gov.md/en>.

<i>TFA measure</i>	<i>The nature of the obligation<sup>1</sup></i>	<i>Current standing</i>	<i>Further needs</i>	<i>Recommendations</i>	<i>Relevant ECE ECTD tools</i>
(1)	(2)	(3)	(4)	(5)	(6)
<b>Article 5: Other Measures to enhance impartiality, non-discrimination and Transparency</b>					
5.1 (a), (b), (c), (d)	Mixed	The only collaboration with other institutions was signed in March 2019 with the National Food Safety Agency (ANSA) on notifications on laws, technological procedures and information sharing.	Procedures for issuance of notifications based on risk.	Establish procedures on (i) issuance/termination/suspension of notifications based on risk, to all points of entry where sanitary and phytosanitary controls are conducted; (ii) training of staff in the administration of the program, including termination of notifications; (iii) issuance of notifications through the new system (to be developed) or other forms of communication (e.g. email).	ECE-ITC Guide on Managing Risk for Safe, Efficient Trade  Working Party 6 “Recommendation R on Managing Risk in Regulatory Frameworks”  Working Party 6 “Recommendation S on Applying Predictive Risk Management Tools for Targeted Market Surveillance”  Working Party 6 “Recommendation V on Product Non-Compliance Risks in International Trade
<b>Article 7: Release and Clearance of Goods</b>					
Paragraph 1. Pre-arrival processing 7.1.1; 7.1.2	Best endeavour	Advance lodging of documents in electronic format for pre-arrival processing of import documentation is available.	The legislation of the Republic of Moldova allows the goods to be cleared by both declaration of goods on paper and electronically.	The Customs Service might further ensure that: (i) processes/procedures of customs and other border agencies are aligned; (ii) policies and procedures of customs and other border agencies aim at expediting release of goods upon arrival.	UN/CEFACT Certificate of Conformance  Electronic transmission of data exchanged between government inspection and quarantine authorities involved in border
Paragraph 8. Expedited shipments 7.8.1 (a), (b),	Mixed	An automated system for electronic submission and	Further elaborating the legal framework, procedures and	Design a legislative basis for the provision of a financial guarantee.	Animal traceability data exchange

<i>TFA measure</i>	<i>The nature of the obligation<sup>1</sup></i>	<i>Current standing</i>	<i>Further needs</i>	<i>Recommendations</i>	<i>Relevant ECE ECTD tools</i>
(1)	(2)	(3)	(4)	(5)	(6)
(c), (d),(e), (f), (g), (h); 7.8.2 (a), (b), (c), (d); 7.8.3		processing of cargo and/or goods declaration data is available.	infrastructure for processing expedited shipments.	Design simplified procedures for expedited shipments: (i) publish conditions and procedures for the modification or termination of an authorization to use expedited release procedures; (ii) define procedures for the submission of application for use of expedited release procedures; (iii) ensure infrastructure and equipment (facilities and resources) are available for processing expedited shipments.  Ensure ASYCUDA can accommodate the expedited release procedures.	Rapid Alert System for food and feed
Paragraph 9. Perishable goods 7.9.1 (a), (b); 7.9.2; 7.9.3; 7.9.4	Mandatory	Procedures related to the control of food products are available <sup>3</sup> and are defined in a Joint Order which was signed by the Customs Service and ANSA in June 2022. This Order sets out the mechanism for facilitating and prioritizing the export of perishable products and the process of crossing the border with this type of goods.	Further align the existing legal framework to the measures requirements, by, inter alia, (i) providing for procedures mandating the release of perishable goods in the shortest possible time under normal circumstances and outside the business hours of customs and other relevant authorities in exceptional circumstances and (ii) allowing an importer to arrange for the	Establish the following procedures for customs authorities and other relevant bodies: (i) expedited release of imported perishable goods; (ii) clearance of imported perishable goods outside usual business hours; (iii) operational procedures to ensure that examination and release of imported perishable goods are carried out as a matter of priority; (iv) procedures allowing importers to remove and store perishable goods in appropriate facilities pending results of examination	

<sup>3</sup>Government Decision No. 938/2018 approving the Regulation on the State Border Crossing of Goods Subject to Control by the National Food Safety Agency and its 4 annexes, available at [https://www.legis.md/cautare/getResults?doc\\_id=118534&lang=ro](https://www.legis.md/cautare/getResults?doc_id=118534&lang=ro)

<i>TFA measure</i>	<i>The nature of the obligation<sup>1</sup></i>	<i>Current standing</i>	<i>Further needs</i>	<i>Recommendations</i>	<i>Relevant ECE ECTD tools</i>
(1)	(2)	(3)	(4)	(5)	(6)
			proper storage of perishable goods pending their release.	(including facilities located outside the customs area); (v) procedures for the clearance of goods at importer's premises.  Train Customs authorities in procedures for the expedited release and clearance of perishable goods.  Ensure that automated processing systems that are used for clearance of goods can accommodate procedures/data requirements for expedited release of perishable goods.	

#### **Article 10: Formalities Connected with Importation, Exportation and Transit**

Paragraph 4. Single Window 10.4.1; 10.4.2; 10.4.3; 10.4.4	Best endeavour	Several major steps have been made in the process of implementation of the Single Window <sup>4</sup> including the adoption of the Action Plan regarding implementation of one-stop solutions (as of 2020). <sup>5</sup>	Some features of the Single Window might be improved to further facilitate trade, including regarding: (i) the scaling up of digital infrastructure; (ii) development of interoperable solutions which will streamline	Further areas of improvement include: (i) ensuring that documents are standardized according to the Single Window implementation requirements; (ii) Ensuring that data are harmonized at national level; (iii) aligning data models to UN and WCO requirements; (iv) implementing	Recommendation 33 – Single Window  Recommendation 35 – Establishing a Legal Framework for International Trade Single Window
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<sup>4</sup> It includes the project for 'Support to the modernisation of the Customs Service of Moldova in line with Association Agreement (AA) requirements' (2017-2019 – €1 million) aimed to assist in the preparation for implementing the Single Window concept. Available at <https://eufordigital.eu/discover-eu/support-to-the-modernisation-of-the-customs-service-of-moldova-in-line-with-association-agreement-aa-requirements/>.

<sup>5</sup> It was proposed that all public authorities that issue permits use a single information system to manage the process of receiving requests for the issuance of permits, communication and exchange of information between the public authorities involved in the issuance of permits, the standardization of application processing processes and release of permissive acts.



<i>TFA measure</i>	<i>The nature of the obligation<sup>1</sup></i>	<i>Current standing</i>	<i>Further needs</i>	<i>Recommendations</i>	<i>Relevant ECE ECTD tools</i>
(1)	(2)	(3)	(4)	(5)	(6)
			administrative cooperation between customs authority and the state authorities.	<p>the functionality on cargo-operation services, (e.g., duty and tax refund and other similar procedures), checkpoint services, (international/regional) interoperability / Interconnectivity among single windows for Customs information exchange.</p> <p>Other areas where the Single window facility might benefit from further reforms include incorporating additional functional features, such as Common Business entity registration service; Immigration procedures; Services for processing of sampling and testing; Trader Identification Number (TIN); WCO Unique Consignment Reference number (UCR) Cargo Identification Number as well as Single Window performance management.</p>	<p>Recommendation 36 – Single Window Interoperability</p> <p>Training material on Single Window</p> <p>Technical Note on Terminology of Single Window</p>

#### **Article 11: Freedom of Transit**

Paragraphs 1-3. Transit charges, regulations and formalities 11.1 (a), (b); 11.2; 11.3

Mandatory

The required legal framework providing for transit charges, regulations and formalities is available (i.e., Customs Service Order No. 310/04.08.2017)

Implementation of procedures for periodic review of transit regulations and procedures related to administrative expenses is pending.

Implement procedures stipulated in column 4.  
Elaborate on impact assessment procedures regarding the trade impact of any new transit charges, regulations or formalities.

Recommendation 18 – Facilitation Measures Related to International Trade Procedures

<i>TFA measure</i>	<i>The nature of the obligation<sup>1</sup></i>	<i>Current standing</i>	<i>Further needs</i>	<i>Recommendations</i>	<i>Relevant ECE ECTD tools</i>
(1)	(2)	(3)	(4)	(5)	(6)
Paragraph 4. Strengthened non-discrimination 11.4	Mixed	Evidence on the implementation of this paragraph is not available.		Ensure the Customs Service staff receive training to perform the above tasks.	Recommendation 36 – Single Window Interoperability  Integrated Track and Trace for Multi-Modal Transportation  eCMR (Electronic Consignment Note)
Paragraphs 5-10. Transit, procedures and controls 1.5; 11.6 (a), (b); 11.7; 11.8; 11.9; 11.10	Mixed	Legislative framework is available. <sup>6</sup>	Provide infrastructure to reduce border congestion.  Streamline applicable formalities.	Make available, where practicable, physically separate infrastructure (such as lanes, berths and similar) to reduce border congestion and facilitate transit movements.  Ensure that formalities, documentation requirements and customs controls in connection with traffic in transit are not more burdensome than necessary to identify the goods and ensure fulfilment of transit requirements.	
Paragraphs 11-15. Guarantees 11.11; 11.12; 11.13; 11.14; 11.15	Mixed	Legislative framework is available. <sup>7</sup>	According to national legislation, the discharge of the guarantee takes place	Improve the guarantee information module.	

<sup>6</sup> Available at <https://trade.gov.md/en/articles/transit-procedures>

<sup>7</sup> Available at <https://trade.gov.md/en/articles/transit-procedures>. See also: Customs Order No. 310/04.08.2017 on the approval of the Methodological Norms related to the application of the transit system on the territory of the Republic of Moldova specifies the guarantor is released from his/her commitments when the transit operation is confirmed as completed at the destination. This Order also provides details on comprehensive guarantees for multiple transactions for the same operators. See also the Customs Code of the Republic of Moldova, which establishes that at the request of the payer or a third party, the customs authorities allow the establishment of a global guarantee, covering two or more operations for which a customs obligation has arisen or may arise (Art. 127 para. 7). The Customs Code

<i>TFA measure</i>	<i>The nature of the obligation<sup>1</sup></i>	<i>Current standing</i>	<i>Further needs</i>	<i>Recommendations</i>	<i>Relevant ECE ECTD tools</i>
(1)	(2)	(3)	(4)	(5)	(6)
Paragraphs 16-17. Cooperation and coordination 11.16 (a), (b), (c); 11.17	Best endeavour	The Republic of Moldova has signed bilateral customs treaties (83 ratified to date) and multilateral treaties (57 to date) to facilitate customs clearance procedures for goods in transit with a number of countries in the region. <sup>8</sup>	immediately after the end of the transit regime. Delayed warranty discharge rarely happens, conditional on technical reasons. Further improvement of the guarantee information module is needed.  It might be helpful to appoint a national transit coordinator to which all enquiries and proposals by other Members relating to the good functioning of transit operations can be addressed.	Some practical recommendations might include: (i) encourage the adoption of bilateral or regional transit arrangements; (ii) provide Customs the authority to negotiate and enter into arrangements with other customs administrations for purposes of coordinating transit operations; (iii) establish a national transit coordinator function; (iv) ensuring that there is a sufficient number of qualified staff and resources available to allow participation in bilateral and regional transit organizations.	

also specifies that the customs body is entitled to grant customs escort to the holder of the transit operation if it cannot be guaranteed compliance with customs legislation (Art.43).

The details are provided in Customs Order No. 310/04.08.2017 on the approval of the Methodological Norms related to the application of the transit system on the territory of the Republic of Moldova, section 2 – Guarantees.

<sup>8</sup> Available at <https://customs.gov.md/ro/articles/tratate-internationale-in-domeniul-vamal>