UNOFFICIAL TRANSLATION

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PARLIAMENT OF THE REPUBLIC OF MOLDOVA

L A W
on non-bank credit organizations

no. 1 of 16.03.2018
(in force from 01.10.2018)

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The Parliament adopts this organic law.

Chapter I
GENERAL PROVISIONS

Article 1. Object and purpose of the law

(1) This law aims at regulating the conditions of access to non-bank credit activity, establishing the legal status and the particularities of the establishment and activity of non-bank credit organizations, ensuring the conditions for the protection of the rights and legitimate interests of creditors, donors, customers, as well as founders, shareholders and associates of non-bank credit organizations.

(2) The purpose of this law is to ensure the development of the non-bank credit sector, including by preventing excessive risks in the system, as well as to increase access to financial resources for natural and legal persons.

Article 2. Legal framework

Non-bank credit organizations shall not be subject to the normative acts regulating the activity of banks and savings and loan associations.

Article 3. Main notions

For the purposes of this law, the following notions mean:

administrator - member of the board, member of the executive body, head of the branch/second office of the non-bank credit organization;

supervisory authority - the National Bank of Moldova;

beneficial owner - a natural person who ultimately owns or controls, directly or indirectly, the right of ownership or control in the share capital or voting rights of the non-bank credit organization;

customer - a person who benefits or has benefited from the services of the non-bank credit organization or a person with whom the non-bank credit organization has negotiated the provision of non-bank credit services, even if the provision of such services has not taken place;

credit (non-bank credit) - a commitment to lend money on condition of repayment, interest and/or other related payments; extension of the repayment period of a debt; commitment to purchase a claim or other rights to make a payment by the non-bank credit organization;

holder - the founder, shareholder/partner of the non-bank credit organization, represented by natural and/or legal persons, including beneficial owners;

subordinated loan - a loan granted in a single operation by the holders of the non-bank credit organization and/or by banks, non-bank financial companies, non-commercial organizations and/or persons considered as qualified investors according to the capital market legislation, the amount of which exceeds the equivalent of MDL 600000 and which cumulatively meets the following criteria:

a) is not guaranteed;

b) the maturity term is at least 3 years. If the maturity term is not fixed, the loan shall be repayable at the sole discretion of the non-bank credit organization, but not earlier than 3 years from the date of granting;

c) the provisions governing the subordinated loans do not explicitly or implicitly indicate that the subordinated loans will or may be prepaid by the non-bank credit organization in cases other than the liquidation of the non-bank credit organization;

d) in the event of the liquidation of the non-bank credit organization, the loan shall be paid after the claims of all creditors of the non-bank credit organization have been met;

financial leasing - the totality of the relationships arising for the purpose and within the framework of a leasing contract, whereby it is expressly provided for the transfer to the lessee, at the time of expiry of the contract, of the right of ownership of the leased asset;

non-bank credit organization - joint-stock company or limited liability company, which carries out on a professional basis only the activities referred to in article 8 paragraph (2);

second office - an internal structural unit of the non-bank credit organization, located outside the head office, which is not a branch, does not have a separate balance sheet and carries out some or all of the activities of the non-bank credit organization in accordance with the internal rules approved for this purpose;

public - any natural or legal person who is not considered a qualified investor within the meaning of the capital market legislation. This category does not include: the state, central, regional and local public administration authorities, government agencies, banks, non-bank financial companies, non-commercial organizations and other similar companies.

[Art.3 amended by Law No 178 of 11.09.2020, in force from 01.07.2023]
[Art.3 amended by Law No 23 of 27.02.2020, in force from 20.04.2020]

Article 4. Purpose and principles of activity of non-bank credit organizations

(1) Non-bank credit organizations aim to increase access to financial resources for natural and legal persons with a view to raising the standard of living of the population and the development of entrepreneurial activity.

(2) The principles of activity of non-bank credit organizations are:

a) ensuring sustainable development in the field of non-bank lending;

b) ensuring transparency in the activity of non-bank lending;

c) respecting customers' rights;

d) respecting the rules of fair competition;

e) respecting responsible lending requirements.

[Art.4 paragraph (2) supplemented by Law No 93 of 07.04.2022, in force from 29.05.2022]

Chapter II
NON-BANK CREDIT ORGANIZATION

Article 5. Legal status of the non-bank credit organization. Conduct of operations

(1) A non-bank credit organization shall operate on the basis of this law and other normative acts, on the basis of its articles of incorporation and internal regulations.

(2) Non-bank credit organizations shall be entitled to form associations for the purpose of defending their legitimate rights and interests.

(3) When carrying out non-bank credit activity, non-bank credit organizations shall comply with the provisions of the Law no. 202/2013 on consumer credit agreements and the legislation on preventing and combating money laundering and terrorist financing.

(3^1) Prior to the conclusion of a credit agreement/financial lease, the non-bank credit organization shall assess the creditworthiness of the consumer of the credit/financial leasing in accordance with the responsible lending requirements approved by the supervisory authority.

(3^2) When assessing the creditworthiness of the consumer, the non-bank credit organization shall assess the consumer's ability to assume a particular obligation under the credit/financial leasing agreement which he/she would be able to honour together with the credit obligations already assumed.

(3^3) The assessment of the consumer's creditworthiness aims at:

a) preventing any delay in making payments, default on credit/financial leasing or delay in exercising the right of pledge;

b) not to allow in the credit/financial leasing process the maximum permissible level of consumer indebtedness to be exceeded, in compliance with the limits set by the supervisory authority;

c) ensuring that the credit is repaid from the consumer's income, and not by forced recovery from the account of the pledged asset or from the account of changes in the value of the pledged asset, or from the account of other consumer assets.

(3^4) Where the parties to a credit agreement agree to change the total amount of the credit/financial leasing, the non-bank credit organization shall, prior to any increase in the total amount of the credit/financial leasing, update the available information on the consumer and the pledged asset, as in the case of a new credit application, and, on the basis of the updated information, carry out a repeated assessment of the consumer's creditworthiness.

(4) The non-bank credit organization shall develop and approve at least the internal regulations on the provision of services and on the management framework of the activity and publish them on its official website.

(5) The regulation on the provision of services shall lay down rules covering at least the manner of assessing the creditworthiness of the beneficiary, the criteria and conditions for the provision of services, including the disclosure of the components of the total cost of the service, the manner of calculating the penalty, interest rate and/or leasing rate, and the modalities of guarantee by the customer of the repayment of the credit on maturity.

(6) The service provision operations by the non-bank credit organization shall be recorded in contractual documents clearly setting out all the conditions of the respective operations.

(7) The regulation on the management framework for the activity of the non-bank credit organization shall contain provisions covering at least aspects of the powers and responsibilities of the management bodies, including policy development and approval, as well as risk management and continuity of the activity.

[Art.5 paragraph (4) in new wording, paragraphs (8)-(12) repealed by Law No 175 of 30.06.2023, in force from 03.07.2023]

[Art.5 paragraphs (3^1)-(3^4), (12) inserted by Law No 93 of 07.04.2022, in force from 29.05.2022]

(Art.5 paragraphs (10), (11) inserted by Law No 23 of 27.02.2020, in force from 20.04.2020]

Article 6. Internal documentation

(1) The non-bank credit organization shall be obliged to keep, at its registered office or at another place indicated in the articles of incorporation, the documentation required by this law and its subordinated normative acts, by the legislation on joint-stock companies and limited liability companies, by the normative acts regulating accounting and financial reporting, specific reports in accordance with the normative acts of the supervisory authority, control acts issued by the supervisory authority, as well as the contracts concluded by the non-bank credit organization.

(2) The non-bank credit organization shall make the documents referred to in paragraph (1) available to the supervisory authority, the supervisory authority being obliged to maintain confidentiality in accordance with Law no. 548/1995 on the National Bank of Moldova.

(3) The access of other persons to the documentation of the non-bank credit organization shall be carried out in accordance with the legislation.

[Art.6 paragraph (2) amended by Law No 178 of 11.09.2020, in force from 01.07.2023]

Article 7. Confidential client information

(1) Any information relating to the customer of the non-bank credit organization (including his or her person, assets, activity/business or relations) which has become known to the non-bank credit organization shall constitute confidential information on the customer.

(2) The administrators and employees of the non-bank credit organization, other persons who have had access to the confidential information on the customer in the performance of their official duties are obliged to keep it confidential and not to use it for any other purpose than their official duties. This obligation shall continue to apply even after the termination of the activity of those persons within the non-bank credit organization.

(3) Confidential information on the customer is to be provided by the non-bank credit organization to the authorities or persons empowered by law to request such information, including:

a) to the criminal prosecution body, with the authorization of the investigating judge, regarding the specific criminal case;

b) to the court, for the purpose of settling a pending case;

c) to the tax and customs authorities;

d) to the Security and Intelligence Service;

e) to the National Anti-Corruption Center;

f) to the National Integrity Authority;

g) to the supervisory authority;

g^1) to the National Financial Market Commission;

h) to the National Center for Personal Data Protection;

[Letter i) repealed by Law No 178 of 11.09.2020, in force from 01.07.2023]

j) to the bailiff, pursuant to and within the limits provided for in the enforceable document;

k) to the authorities of other states, pursuant to relevant bilateral or multilateral cooperation agreements.

(4) Upon written request, the non-bank credit organization shall provide confidential information relating to the customer, to the extent that the provision of such information is justified by the purpose for which it is requested, to the following persons or in the following cases:

a) to the customer, the customer's heirs, their legal representatives, and other representatives authorized by a power of attorney issued in the manner prescribed by law;

b) to the persons to whom the non-bank credit organization has outsourced certain activities;

[Letter c) repealed by Law No 23 of 27.02.2020, in force from 20.04.2020]

d) to the audit entity, within the limits necessary to carry out the audit;

e) where the non-bank credit organization justifies a legitimate interest;

f) to the entities belonging to the group to which the non-bank credit organization belongs, for the organization of supervision on a consolidated basis and for combating money laundering and terrorist financing.

(4^1) In accordance with Law no. 122/2008 on credit history bureaus, non-bank credit organizations are obliged to provide credit history bureaus with confidential information on the customer.

(5) The obligation to keep customer information confidential does not exclude the obligation to keep commercial or other secret protected by law.

(6) Under the provisions of this law, only strictly necessary personal data, not excessive in relation to the established purpose, shall be processed in accordance with the powers assigned by the relevant legislation, ensuring an adequate level of security and confidentiality with regard to the risks presented by the processing and the nature of the data, in accordance with the principles established by the legislation on the protection of personal data.

[Art.7 paragraph (4^1) in the wording of the Law No 214 of 20.07.2023, in force from 03.08.2023]
[Art.7 paragraph (3) supplemented by Law No 175 of 30.06.2023, in force from 03.07.2023]
[Art.7 paragraph (4^1) inserted by Law No 23 of 27.02.2020, in force from 20.04.2020]

Article 8. Activities of the non-bank credit organization

(1) The non-bank credit organization is entitled to carry out on a professional basis only non-bank credit activities in accordance with this law.

(2) Non-bank credit activities are:

a) granting non-bank credit;

b) financial leasing.

(3) The performance of non-bank credit activities on a professional basis shall be deemed to be cases where the income obtained from non-bank credit activities referred to in paragraph (2) represents at least 15% of the total income recorded by an entity in a management period. In any case, the supervisory authority shall be the sole authority in a position to decide whether the activity carried out by an entity is in the nature of professional non-bank credit activity and falls within the scope of this law, including taking into account the aspects relating to the regular income orientation of the entity and the absolute amount of the respective activities carried out.

(4) The non-bank credit organization may carry out factoring operations, activity as a bancassurance agent, activities related to the provision of payment services and issuance of electronic money in accordance with the Law No 114/2012 on payment services and electronic money, other forms of leasing, as well as other related or ancillary activities related to the performance of non-bank credit activity.

(5) The non-bank credit organization is entitled to receive funds in the form of loans, credits, donations (grants), contributions (participations) to its share capital, taking into account the provisions of article 9 paragraph (1) letter a).

Article 9. Prohibitions

(1) The non-bank credit organization shall be prohibited:

a) attracting deposits or other repayable funds from the public;

b) making investments and contributions (participations) to the share capital and granting loans, credits, donations, for the purpose of procuring its own securities or shares;

c) rendering of non-bank credit services conditional on the customer's purchase of additional services offered by it;

d) outsourcing of credit granting and financial leasing activities to other entities, with the exception of licensed banks and non-bank credit organizations registered in the Register of authorized non-bank credit organizations;

[Letters e),e[1]),f) repealed by Law No 175 of 30.06.2023, in force from 03.07.2023]

Note: The provisions of letter f) shall apply to legal situations in progress at the expiry of 2 months from the date of entry into force of Law No 23 of 27.02.2020 (20.06.2020), with or without modification of the corresponding contracts, as regards the claims to be collected. The same provisions shall not apply to legal situations pending before the court on the date of entry into force of the above-mentioned law.

(2) The subordinated loan shall not be subject to the provisions of paragraph (1) letter a).

(Art.9 paragraph (1) amended by Law No 93 of 07.04.2022, in force from 29.05.2022)

[Art.9 paragraph (1) amended, paragraph (2) in new wording by Law No 23 of 27.02.2020, in force from 20.04.2020]

Chapter III
ESTABLISHMENT AND REGISTRATION OF THE NON-BANK CREDIT ORGANIZATION

Article 10. Name and headquarters

(1) The name of the non-bank credit organization shall necessarily contain the phrase "Non-bank credit organization" or the abbreviation "N.B.C.O.".

(2) The name of the branch or second office of the non-bank credit organization shall contain an indication of the type of subdivision and the name of the organization to which it belongs.

(3) Legal persons which are not non-bank credit organizations shall not be entitled to use in their name the phrase or abbreviation referred to in paragraph (1), derivatives or translations thereof.

(4) The non-bank credit organization shall be obliged to carry out its activity in the head office of the organization/branch/second office registered in the Register of authorized non-bank credit organizations, which shall be located in an administrative building or on the ground floor of a building for residential use, or in another capital building.

[Art.10 paragraph (2) amended, paragraph (4) in new wording by Law No 23 of 27.02.2020, in force from 20.04.2020]

Article 11. Establishment and state registration

(1) The non-bank credit organization shall be established and registered in accordance with the legislation on state registration of legal entities and individual entrepreneurs.

(2) The state registration on the establishment, reorganization, liquidation or suspension of the activity of the non-bank credit organization shall be carried out with the approval of the supervisory authority in accordance with this law and the normative acts of the supervisory authority. The payment for the issuance of the supervisory authority's opinion on the establishment of the non-bank credit organization shall amount to MDL 2000 and shall be paid to the state budget.

(3) The state registration on the resumption of activity in case of suspension, on the establishment, reorganization and liquidation of branches, as well as on the amendment/completion of the articles of incorporation, entry/amendment of data in the State

Register of Legal Entities shall be notified to the supervisory authority in accordance with this law and the normative acts of the supervisory authority.

(4) The non-bank credit organization shall have the right to establish/liquidate branches and/or second offices which shall be notified to the supervisory authority in accordance with this law and the normative acts of the supervisory authority.

[Art.11 paragraph (2) amended by Law No 214 of 20.07.2023, in force from 03.08.2023]
[Art.11 paragraph (4) supplemented by Law No 297 of 27.10.2022, in force from 15.12.2022]
[Art.11 paragraph (3) amended, paragraph (4) in new wording by Law No 23 of 27.02.2020, in force from 20.04.2020]

Article 12. Requirements for administrators and holders

(1) The persons elected or appointed as an administrator of the non-bank credit organization shall at all times comply with the criteria set out in this article.

(2) Persons who are included in the national list of persons and entities involved in terrorist activities and proliferation of weapons of mass destruction under the legislation on preventing and combating money laundering and terrorist financing, and/or who have outstanding criminal records for offenses committed intentionally, may not be administrators, holders.

(3) The status of administrator, holder may not be held by persons who:

a) are employees of the supervisory authority;

b) by law or by irrevocable court decision, are deprived of the right to hold that office;

c) are auditors employed by the audit entity that audits this non-bank credit organization;

d) violate the regime of restrictions and limitations in relation to the termination of office, employment or service relationships provided for in the legislation on integrity;

e) have been an administrator and/or holder with the right of ownership or with the right of control of at least 50% of the share capital or voting rights of a non-bank credit organization which has been removed from the Register of non-bank credit organizations authorized pursuant to the provisions of article 20 paragraph (2) letter b).

(3^1) The member of the executive body, the head of the branch/second office of the non-bank credit organization must meet the following criteria:

a) qualification - a higher education degree in economics, law or exact sciences (including with specialization in accounting, marketing and logistics, business and administration, finance and banking, economics and international economic relations, statistics and economic forecasting, cybernetics and informatics, merchandising and trade, physics, mathematics, engineering);

b) experience - at least 2 years' experience in the field of economic-financial or legal affairs.

(3^2) If the person proposed for one of the positions specified in paragraph (3^1) has a higher education degree in fields other than those referred to in paragraph (3^1) letter a), but has at least 2 years of experience exceeding the experience requirement set out in paragraph (3^1) letter b), the person shall be deemed to meet the qualification criterion.

(4) The administrators of the non-bank credit organization shall be entitled to exercise their duties from the date on which the supervisory authority takes note of their appointment on the basis of the set of documents submitted, which shall confirm the administrators' compliance with the provisions of this article. The supervisory authority shall be entitled, within 10 working days, to request amendments and/or additions and to object to the content of the set of documents submitted. At the expiry of that period, without any further requests by the supervisory authority, the appointment of the administrators shall be deemed to have been noted.

(5) In the case of appointment and/or change of administrators, the non-bank credit organization shall submit the application with the set of documents to the supervisory authority in accordance with this article no later than 20 working days after their election or appointment, with the possibility for the supervisory authority to extend this period by 30 working days, if objective conditions exist which do not depend on the person elected or appointed as administrator.

(Art.13 paragraph (3) supplemented, paragraphs (3^1), (3^2) inserted by Law no.297 of 27.10.2022, in force from 15.12.2022)
[Art.12 amended by Law no.23 of 27.02.2020, in force from 20.04.2020]

Article 13. Opinion for state registration

(1) In order to obtain an opinion, the non-bank credit organization shall submit to the supervisory authority an application in electronic format with electronic signature or on paper, signed by the person empowered to represent the non-bank credit organization in the state registration process.

(2) The application for the issuance of the opinion shall be attached, as appropriate:

a) the articles of incorporation or amendments and supplements thereto, approved and signed by the founders (shareholders/associates) or their authorized persons;

b) the minutes of the founders' (shareholders'/associates') incorporation meeting or general meeting;

c) the decision of the authorized body appointing the administrators;

d) the deed of ownership or the lease, loan agreement or other document attesting the real rights over the real estate located in an administrative building or on the ground floor of a building intended for residential use, or in another capital building where the non-bank credit organization and/or its branches/second offices will carry out their activities;

e) a copy of the financial statement drawn up on the last reporting date preceding the date of submission of the application for an opinion, in the case of organizations that are operating on the date of submission of the application for an opinion;

f) data on the last name, first name (name), domicile (registered office), personal identification number (state identification number) of the founders (shareholders/associates) and beneficial owners holding at least 1% of the share capital or voting rights of the non-bank credit organization, as well as the size of their participation share in the share capital of the non-bank credit organization;

g) a copy of the criminal record of the founders who are natural persons (or other confirmation of the absence of any outstanding criminal record in the case of founders who are non-resident natural persons), valid at the date of the application;

h) the set of documents to confirm the compliance of the administrators of the non-bank credit organization with the provisions of article 12, with the data on their last name, first name (name), domicile (registered office), personal identification number (state identification number);

i) a copy of the internal regulations referred to in article 5 paragraph (4);

j) the document confirming the payment for the issuance of the opinion.

(3) If the documents or information submitted in accordance with paragraph (2) do not justify the person's compliance with the requirements for administrators/founders set out in article 12, the supervisory authority may request additional documents and information, may conduct additional investigations, including consulting public authorities and other legal persons on the activities of the person proposed as administrator.

(4) The supervisory authority shall issue the state registration notice if the non-bank credit organization complies with the requirements of this law, including the requirements for administrators/founders, as well as if the financial statement of the non-bank credit organization complies with the normative framework.

(5) The supervisory authority shall keep separate records of the applications for the issuance of the opinion in appropriate registers, in paper and electronic version.
[Art.13 paragraph (2) amended by Law no.23 of 27.02.2020, in force from 20.04.2020]

Article 14. Examination of the application and issue of the opinion

(1) Within 15 working days from the date of submission of the application, the supervisory authority shall examine the application and the attached documents and issue the opinion or reject

the application for its issuance. If necessary, the supervisory authority shall be entitled to extend the period for examination of the application by 15 working days.

(2) The date of submission of the application shall be deemed to be the date of registration of the application in the supervisory authority's correspondence registers.

(3) The supervisory authority is entitled to require the non-bank credit organization to supplement the submitted set of documents and/or to introduce in the submitted documents the necessary amendments and additions, indicating the time limit for execution, in the following cases:

a) upon submission of an incomplete set of documents in accordance with the provisions of article 13;

b) if the documents and/or information submitted are erroneous, insufficient and/or illegible;

c) if the content of the submitted documents and/or information contravenes the provisions of this law and of the normative acts of the supervisory authority.

In any such case, the time limit for examination of the application shall be calculated from the time of submission to the supervisory authority of the indicated amendments/additions or supplementary documents.

Article 15. Grounds for refusal of the application

(1) The supervisory authority shall reject an application for an opinion if at least one of the following grounds exists:

a) failure to comply with the time limit set in accordance with article 14 paragraph (3), which may not be less than 7 working days;

b) failure to comply with the provisions of this law and the normative acts of the supervisory authority.

(2) In case of rejection of the application under the provisions of paragraph (1), the non-bank credit organization, after removing the grounds for rejection and repeated payment of the fee for the issuance of the opinion, may submit a new application in the manner established by this law.

Article 16. Informing the non-bank credit organization. Prohibition on modification of the documents endorsed

(1) Within 3 working days from the date of taking a decision on the submitted application, the supervisory authority shall inform the non-bank credit organization in writing, on paper and/or through the electronic document circulation system, about the issuance of the opinion or the reasoned rejection of the application.

(2) The non-bank credit organization shall submit to the state registration body, in accordance with the legislation on state registration of legal entities and individual entrepreneurs, the supervisory authority's opinion and the documents of incorporation or amendments/additions to the articles of incorporation or, as the case may be, the newly worded articles of incorporation, which have been approved in the manner prescribed by this law, without subsequently introducing therein amendments related to the provisions of this law.

Article 17. Capital

(1) The minimum share capital of the non-bank credit organization shall be established in the amount of MDL 1000000.

(2) At the time of state registration, the minimum share capital of the non-bank credit organization shall be fully deposited by its founders (shareholders/associates).

(3) Contributions to the minimum share capital shall be deposited in full in cash.

(4) The non-bank credit organization is obliged to hold and maintain the regulatory capital in relation to the value of assets at any given date in the amount of at least 5%, calculated in accordance with the criteria and requirements established by the normative acts of the supervisory authority.

(5) In the event of an increase in the non-bank credit organization's share capital by which the amount of the contribution is at least MDL 500,000, deposited entirely in cash, the supervisory authority shall request the support of the Service for the Prevention and Combating of Money Laundering in order to verify the source of the financial means used and to inform the supervisory authority, within 30 calendar days at the latest, on the existence/absence of relevant suspicions regarding money laundering and/or terrorist financing.
[Art.17 paragraph (1) amended by Law no.23 of 27.02.2020, in force from 01.01.2021]
[Art.17 paragraph (4) in new wording, paragraph (5) introduced by Law no.23 of 27.02.2020, in force from 20.04.2020]

Article 18. Register of authorized non-bank credit organizations
(1) The non-bank credit organization is entitled to carry out non-bank credit activities only after registration in the Register of authorized non-bank credit organizations (hereinafter - the *Register*), kept by the supervisory authority in accordance with the legislation on registers.
(2) The Register shall contain the following data on the non-bank credit organization:
a) full and abbreviated name;
b) date of registration and state identification number (IDNO);
c) the registered office and postal address, if different from the registered office, telephone number, fax number, electronic mail address, web page, if any, including branches and second offices;
d) non-bank credit activities carried out;
e) share capital;
f) last name, first name, personal identification number (IDNP) of the members of the executive body and of the head of the branch/second office;
g) last name, first name (name,) domicile (registered office), personal identification number (IDNP) of the founders (shareholders/associates) and beneficial owners holding at least 1% of the non-bank credit organization's share capital or voting rights, as well as the size of their participation share in the non-bank credit organization's share capital
h) data on the reorganization, suspension, removal or resumption of activity, as the case may be;
i) the date of registration of the dissolution in the State Register of Legal Entities, the name, personal identification number (IDNP) and contact details (telephone number, fax number, e-mail address) of the liquidator or members of the liquidation committee - in case of dissolution and initiation of liquidation proceedings;
j) the date of commencement of the insolvency proceedings, the name and state identification number (IDNO) of the insolvency administrator, his/her contact details (telephone number, fax number, e-mail address) - in case of commencement of insolvency proceedings.
(3) The supervisory authority shall update the Register on the basis of the data and information received from non-bank credit organizations, within 5 working days of their receipt.
(4) The supervisory authority shall make the information in the Register publicly available on its official website. The public information shall contain data on the name of the legal entity, legal form of organization, state identification number (IDNO), date of state registration, registered office, telephone number, last and first name of the head, non-bank credit activities performed, last and first name or name of the founders (shareholders/associates), data on branches/second offices, status of the legal person (in the process of reorganization, insolvency, liquidation or suspension of activity) and data on its deregistration. The information is updated on a weekly basis.
(Art.18 paragraph (2), (4) amended by Law no.23 of 27.02.2020, in force from 20.04.2020)

Article 19. Registration of non-bank credit organizations in the Register
(1) Within 30 working days from the date of state registration in the cases referred to in article 11 paragraph (2), the non-bank credit organization shall submit to the supervisory authority an application in electronic format with electronic signature or on paper, signed by the person

empowered to represent the non-bank credit organization, requesting the registration of the non-bank credit organization in the Register.

(2) The supervisory authority shall register the non-bank credit organization in the Register or reject the application for registration no later than 5 working days from the date of its receipt, informing the applicant in writing of the grounds for rejection.

(3) The supervisory authority shall reject the application for registration of the non-bank credit organization if the content of the documents submitted to the state registration body contravenes the provisions of this law.

(4) In case of rejection of the application for registration, the applicant may submit a new application after the grounds for rejection of the previous application have been removed.

(5) Within 15 working days from the date of state registration or from the date of adoption of the relevant decision, in the cases referred to in article 11 paragraphs (3) and (4), the non-bank credit organization shall notify the supervisory authority by submitting a request in electronic format with the application of electronic signature or on paper, signed by the person authorized to represent the non-bank credit organization, requesting the appropriate entries of the non-bank credit organization in the Register.

(6) The supervisory authority shall make the appropriate entries in the Register on the basis of the notification of the non-bank credit organization, no later than 5 working days from the date of receipt of the application.

[Art.19 paragraph (5) amended by Law no.23 of 27.02.2020, in force from 20.04.2020]

Article 20. Suspension/resumption of activity and removal from the Register

(1) The supervisory authority has the right to suspend for a period of up to 2 years the activity of the non-bank credit organization, with the respective mention in the Register, in the following cases:

a) at the request of the non-bank credit organization;

b) failure to comply with the requirements for the removal of violations in the activity and/or the requirements for the implementation of remedial measures, ordered by the supervisory authority, including in the case of referral by the responsible authority of non-compliance with the legislation on consumer credit agreements;

c) submission to the supervisory authority of erroneous or non-authenticated data duly substantiated, which served as a basis for the issuance of the opinion for state registration and/or registration in the Register;

d) violation by the non-bank credit organization of the prohibitions set out in article 9 paragraph (1) letter a);

e) hindering the supervisory authority in the exercise of its supervisory duties;

f) carrying out fictitious and unreported transactions, including for the purpose of misrepresentation of the financial statement.

(1^1) During the period of suspension of activity, the non-bank credit organization shall continue to be subject to the provisions of this law and shall be obliged to comply with its requirements.

(1^2) The supervisory authority is entitled to register the resumption of the activity of the non-bank credit organization in the Register in the following cases:

a) at the request of the non-bank credit organization, if the suspension was based on the provisions of paragraph (1) letter a);

b) removal of the infringements for which the activity was suspended.

(2) The supervisory authority shall remove the non-bank credit organization from the Register in the following cases:

a) at the request of the non-bank credit organization, including where it ceases to exist as a result of reorganization, insolvency or liquidation;

b) failure to remove, within the prescribed period, the circumstances that led to the suspension of activity;

c) lack of an application by the non-bank credit organization to resume the activity at the expiry of the period of suspension requested by the non-bank credit organization, if the suspension was based on the provisions of paragraph (1) letter a).

(3) The supervisory authority shall remove the non-bank credit organization from the Register and shall inform it thereof within 5 working days from the date of entry into force of the decision.

(4) During the period of suspension of activity or in the event of removal from the Register, the non-bank credit organization shall not be entitled to carry out the non-bank credit activities specified in article 8 paragraph (2), except for the management of loans and/or financial leasing, granted prior to the date of suspension of activity.

(5) A non-bank credit organization that has been deleted pursuant to paragraph (2) letter a) or letter c) may apply for re-registration in the Register, in accordance with the registration procedure established in this law. A non-bank credit organization that has been deleted under paragraph (2) letter b) may not apply for re-registration in the Register.

[Art.20 paragraph (1) amended by Law no.214 of 20.07.2023, in force from 03.08.2023]

[Art.20 name, paragraph (5) in new wording, paragraphs (1), (2), (4) amended, paragraphs (1^1), (1^2) inserted by Law no.297 of 27.10.2022, in force from 15.12.2022]

(Art.20 paragraph (1) supplemented by Law no.23 of 27.02.2020, in force from 20.04.2020)

Chapter IV
ACCOUNTING, FINANCIAL STATEMENTS AND SPECIFIC REPORTS, AUDITING

Article 21. Accounting, financial statements and specific reports

(1) The non-bank credit organization shall keep its accounts and prepare financial statements and specific reports in accordance with the accounting and financial reporting normative acts and the normative acts of the supervisory authority.

(2) The non-bank credit organization shall submit to the supervisory authority the financial statements and specific reports in the form and at the intervals laid down by law and by the normative acts of the supervisory authority.

Article 22. Compulsory audit

(1) The individual financial statements of non-bank credit organizations shall be subject to mandatory audit in accordance with the legislation in force on the audit of financial statements.

(2) Within 180 days after the end of the management period, the non-bank credit organization shall be obliged to submit the auditor's report to the supervisory authority and publish it on its official website.

(3) The supervisory authority may determine to carry out audits for supervisory purposes at non-bank credit organizations, other than the one referred to in paragraph (1), on one or more of the following issues:

a) compliance of regulatory capital with the provisions of the applicable normative acts of the supervisory authority;

b) the veracity and completeness of the reports on the classification and calculation of the size of provisions to cover losses, in accordance with the normative acts of the supervisory authority;

c) compliance with the provisions of the legislation and implementation of internal policies and procedures of the non-bank credit organization in the field of prevention and combating money laundering and terrorist financing.

(4) The audit for supervisory purposes under paragraph (3) may be conducted concurrently with or separately from the audit of the financial statements and by the same or another audit entity.

(5) The supervisory authority may determine that the supervisory audit under paragraph (3) is to be carried out for each non-bank credit organization individually or, at the same time, for several/all non-bank credit organizations registered in the Register, indicating the matters subject

to verification and assessment, the period and the deadline for submitting the report on the actual findings related to the respective audit.

[Art.22 in the wording of Law no.297 of 27.10.2022, in force from 15.12.2022]

Chapter V
REGULATION AND SUPERVISION OF THE ACTIVITY OF NON-BANK CREDIT ORGANIZATIONS

Article 23. Regulation and supervision of the activity of non-bank credit organizations

(1) The supervisory authority is the state body that regulates and supervises the activity of non-bank credit organizations.

(2) For the purpose of effective regulation and supervision of the activity of non-bank credit organizations, the supervisory authority shall be empowered to approve decisions, to carry out ex officio and on-site inspections of the activity of non-bank credit organizations, to examine reports, accounting and other documents and information, the conditions under which non-bank credit organizations operate and their compliance with the legislation, to take actions and issue prescriptions in order to implement the provisions of this law and related normative acts, as well as to perform any other actions in accordance with this law and normative acts of the supervisory authority.

(3) The supervisory authority may delegate to associations of non-bank credit organizations, on the basis of an agreement, functions of selecting and systematizing information from financial statements and specific reports.

(4) The supervisory authority shall establish by its normative acts requirements applied to all non-bank lending organizations registered in the Register, which relate to:

a) the establishment of provisions and criteria for the classification of claims to cover losses on non-bank loans and related interest and to cover claims arising from non-recovery of leasing installments and interest;

b) transparency of the ownership structure of the non-bank credit organization and updating the information on the founders (beneficial owners holding at least 1% of the non-bank credit organization's share capital or voting rights);

c) disclosure of information on the activity carried out, including the manner and space for publication of the required information;

d) the manner of submission of reports to the supervisory authority, including the frequency, form and manner of completion of the reports;

e) regulating responsible lending to consumers by setting requirements for the granting of non-bank credit and/or financial leasing, including the conditions and the manner of assessing the customer's ability to repay the non-bank credit and/or financial leasing, as well as the degree of collateral coverage

f) systemic risk prevention and mitigation instruments and macroprudential policy instruments.

(5) In the situation of a systemic financial crisis, so defined by the national body established for the management of systemic financial crises, as well as for the purpose of crisis prevention, the supervisory authority shall be entitled to establish by its normative acts prudential and/or non-prudential rules additional to those provided for by this law.

(6) The supervisory authority may request, and the non-bank credit organizations, shareholders/associates, administrators and/or employees of these organizations shall be obliged to submit, upon request, within the specified time limit, the documents and information necessary for the proper execution of the provisions of this law.

(7) For the purpose of supervision, the supervisory authority may require public authorities and other persons to submit any information available to them regarding the activity of non-bank credit organizations, their administrators, holders of participations/shareholders and beneficial owners.

[Art.23 paragraph (4) supplemented by Law no.174 of 11.07.2024, in force from 02.08.2024]

[Art.23 paragraph (4) amended, paragraph (7) inserted by Law no.214 of 20.07.2023, in force from 03.08.2023]
[Art.23 paragraph (4) amended by Law no.175 of 30.06.2023, in force from 03.07.2023]
[Art.23 paragraph (4) amended by Law no.93 of 07.04.2022, in force from 29.05.2022
[Art.23 paragraph (4) amended by Law no.23 of 27.02.2020, in force from 20.04.2020]

Article 24. Infringements, remedies and sanctions

(1) Violations shall be considered:

a) violation of the provisions of this law and/or normative acts issued by the supervisory authority for the purpose of law enforcement;

b) hindering the exercise of supervisory powers, failure to comply with the prescriptions and other measures ordered by the supervisory authority;

c) carrying out fictitious and unreported transactions, including for the purpose of misrepresentation of the financial statement;

d) non-reporting, late reporting or submission of inaccurate/incomplete/contradictory information, including to the credit history bureaus.

(2) If it is found that the non-bank credit organization, its owners and/or administrators have admitted violations, the supervisory authority may impose the following sanctions:

1) written warning;

2) a fine in the amount up to 10% of the income from the operational activity of the organization (which includes interest, commissions, penalties, other payments related to the granted loans/financial leasing, as well as interest on financial investments and other operational income), realized in the previous year or, in case of less than 1 year of activity, of the income realized during the period of activity, but not less than MDL 10000;

3) fine imposed on the administrators from 1 to 10 average salaries of the sanctioned natural person, including all benefits (supplements, bonuses and other additions to the official salary), taking into account the average salary for:

a) the last 12 months worked in the non-bank credit organization, preceding the date on which the offense was established;

b) the total period of employment in the non-bank credit organization preceding the date on which the offence was established, if that period is less than 12 months;

c) the last 12 months worked in the non-bank credit organization, if the employment relationship was terminated before the date on which the offence was established;

d) the total period worked in the non-bank credit organization, if that period is less than 12 months and the employment relationship was terminated before the date on which the offence was established;

4) in case of violation of the provisions applicable to the holder in accordance with the Regulation on the transparency of the ownership structure of the non-bank credit organization, approved by the Decision of the National Commission for Financial Markets no.41/4/2018, - fine imposed on the holder of the non-bank credit organization in the amount up to 50% of the amount of the holding in the share capital of the organization (calculated at nominal value for non-bank credit organizations in the form of joint-stock companies);

5) suspension of activity taking into account the provisions of article 20 paragraph (1) letters b)-f);

6) removal from the Register taking into account the provisions of article 20 paragraph (2) letter b).

(3) In the event of finding violations referred to in paragraph (1) and/or in the event of involvement of the non-bank credit organization, its owners and/or its administrators in dubious or risky activities, the supervisory authority shall have the right to order the non-bank credit organization to take the following remedial measures:

a) to issue prescriptions for the cessation and removal of the violations;

b) to prescribe changes to internal mechanisms, procedures and/or regulations;

c) to limit or suspend the activities provided for by this law until the violations found have been liquidated;

d) to order the cessation of activities through certain branches/second offices;

e) to prohibit engaging in a new type of non-bank credit activity;

f) to temporarily prohibit the exercise of functions or to order the replacement of administrators;

g) to impose additional reporting requirements.

(4) The finding of facts constituting violations, the application of sanctions and remedial measures shall be carried out in accordance with the Law no. 548/1995 on the National Bank of Moldova and the normative acts of the supervisory authority. Sanctions may be applied at the same time as or independently of remedial measures.

[Art.24 in the wording of Law no.214 of 20.07.2023, in force from 03.08.2023]
[Art.24 amended by Law no.175 of 30.06.2023, in force from 03.07.2023]
[Art.24 paragraphs (1), (3) amended by Law no.93 of 07.04.2022, in force from 29.05.2022]
[Art.24 paragraph (1) amended, paragraph (3) inserted by Law no.23 of 27.02.2020, in force from 20.04.2020]

Chapter VI
REORGANIZATION AND LIQUIDATION OF THE NON-BANK CREDIT ORGANIZATION

Article 25. Reorganization of the non-bank credit organization

(1) Reorganization of the non-bank credit organization shall be carried out on the grounds and in the manner established by the legislation, with the approval of the supervisory authority.

(2) The non-bank credit organization(s), established by merger, division or separation, shall start their activity only after registration in the Register, carried out by the supervisory authority in the manner established by this law.

Article 26. Liquidation of the non-bank credit organization

(1) The non-bank credit organization shall be liquidated on the grounds and in the manner established by civil law.

(2) The decision on the voluntary liquidation of the non-bank credit organization shall be notified in writing to the supervisory authority no later than 10 working days from the date of its adoption.

Chapter VII
TRANSITIONAL AND FINAL PROVISIONS

Article 27. Transitional provisions

(1) Legal entities which, at the date of entry into force of this law, carry out non-bank credit activities referred to in article 8 paragraph (2) shall, within 6 months from the date of entry into force of this law, register in the Register in the manner established by this law and comply with all the requirements set by this law.

(2) The provisions of article 17 paragraph (1) regarding the minimum size of the share capital shall come into force as follows:

a) within 6 months from the date of entry into force of this law - the amount of share capital is to be at least MDL 100000;

b) on January 1, 2020 - the amount of share capital is to be at least MDL 200000;

c) as of January 1, 2021 - the amount of share capital is to be at least MDL 300000.

(3) Until brought into compliance with this law, the articles of incorporation and internal regulations of legal persons performing non-bank credit activities referred to in article 8 paragraph (2) shall apply to the extent that they do not contravene this law.

(4) Legal persons which, on the date of entry into force of this law, perform non-bank credit activities referred to in article 8 paragraph (2) shall be exempted from the payment of the fee for

state registration of amendments and additions to their articles of incorporation required by this law or for state registration of the newly worded articles of incorporation.

Article 28. Final provisions

(1) This law shall enter into force on October 1, 2018.

(2) The government and the supervisory authority, within 6 months from the date of publication of this law in the Official Monitor of the Republic of Moldova, shall submit proposals to the Parliament on bringing the legislation in force in line with this law.

(3) The supervisory authority shall, within 6 months from the date of publication of this law in the Official Monitor of the Republic of Moldova, adopt the normative acts provided for by this law and/or bring its normative acts in line with this law.

(4) As of the date of entry into force of this law, the Law no.280/2004 on microfinance organizations (Official Monitor of the Republic of Moldova, 2004, no.138-146, art.737), with subsequent amendments and supplements, shall be repealed.

PRESIDENT OF THE PARLIAMENT Andrian CANDU

No.1. Chisinau, March 16, 2018.