

UNOFFICIAL TRANSLATION

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**PARLIAMENT OF THE REPUBLIC OF MOLDOVA**

**LAW  
on Savings and Loan Associations**

**No 139-XVI of 21 June 2007**  
*(in force as of 01.01.2008)*

Official Gazette No 112-116 Article 506 of 03.08.2007

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*Note: Throughout the law, the words "Institutional capital" and "institutional capital" shall be substituted, respectively, by the words "Institutional reserve" and "institutional reserve" in accordance with Law No 95 of 03.05.2012, in force as of 20.07.2012*

The Parliament adopts this organic law.

**Chapter I**  
**GENERAL PROVISIONS**

**Article 1.** Purpose and object of the law

(1) The purpose of this law is to protect the legal rights and interests of members of savings and loan associations.

(2) The object of this law is to regulate the relationships arising from the exercise of the right of persons to free association through the establishment of savings and loan associations.

## **Article 2. Scope**

(1) This law applies to savings and loan associations.

(2) Laws and other normative acts regulating the activity of banks and public associations do not extend to savings and loan associations.

*[Article 2 (2) amended by Law No 32 of 27.02.2020, in force as of 02.05.2020]*

## **Article 3. Main notions**

For the purposes of this law, the following main notions are defined:

*risk management* - a process focused on analysing the association's risk profile, through which the administrators must systematically identify, assess, record and monitor the risks that may affect the achievement of objectives and planned performance, as well as develop measures to mitigate the likelihood and/or impact of risks related to the activities carried out;

*administrator* - board member, member of the audit committee, managing director, chief executive officer, chief accountant, branch manager, member of the credit committee, and other persons empowered by law or the statute of the savings and loan association to undertake obligations, alone or jointly with others, in the name and on behalf of and for the account of the association;

*central national association of savings and loan associations* (hereinafter referred to as the central association) - a savings and loan association whose founders and members are all savings and loan associations and which is governed in its activity by this law;

*savings and loan association*, hereinafter referred to as an association, - a non-commercial organization with a special legal status, established voluntarily by natural persons and legal entities, associated on common principles, which accepts savings deposits from its members, grants them loans, as well as other financial services, in accordance with the category of the license it holds;

*supervisory authority* - National Bank of Moldova;

*institutional reserve* - own funds that the association is required to hold and maintain in accordance with this law and the normative acts of the supervisory authority;

*savings deposit* - a sum of money, deposited in the association by its member on the basis of a written contract, for a fixed term or at sight, with or without interest, to be returned at maturity or on demand;

*liquidity fund* - a fund set up for the purpose of centralized liquidity insurance of associations from the funds of associations accepting savings deposits from their members, as well as from funds available for investment at the disposal of the associations, in the amount and in the manner determined by the supervisory authority;

*stabilization fund* - a centralized fund of funds for the purpose of providing assistance to associations, set up, managed and used in accordance with the regulatory acts of the supervisory authority;

*stabilization measure* - a measure applied by the supervisory authority in respect of the association in order to eliminate the infringements and shortcomings detected and to improve the existing situation.

*[Article 3 amended by Law No 178 of 11.09.2020, in force as of 01.07.2023]*

*[Article 3 amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 3 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 3 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

*[Article 3 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

## **Article 4. Purpose, principles, and particularities of the activity of the association**

(1) The purpose of the association is to support the legal activities of its members in order to improve their economic and social conditions by providing the services specified in Article 7.

(2) The principles of the association's activity are:

- a) voluntary association of natural persons and legal entities by territorial, professional, religious or interest community and free dissociation, in accordance with the law;
  - b) participation in person or by representative of its members in the governing and supervisory bodies, in accordance with the law;
  - c) equality in non-pecuniary personal rights of the members of the association, regardless of the size of the membership fee, including the holding by each member of the association of a single vote in the governing bodies;
  - d) equal access of its members to savings deposit-taking, lending and other services offered in accordance with the law, the category of license held, the statute and the policies of the association;
  - e) minimization of the association's risks;
  - f) compliance with responsible lending requirements.
- (3) The association may not have fewer than 50 members.
- (4) The association is established for an unlimited term unless its statute provides otherwise.
- (5) The annual profit of the association, if achieved, is directed, firstly, to compliance with the institutional reserve requirement established under Article 33, and then to the association's reserves in accordance with this law, the normative acts of the supervisory authority and the association's statute.

*[Article 4 (2) supplemented by Law No 93 of 07.04.2022, in force as of 29.05.2022]*

## **Chapter II ASSOCIATION**

### **Article 5. Name and headquarters of the association**

- (1) The full name of the association will necessarily contain the phrase "Savings and Loan Association" or the abbreviation "S.L.A."
- (2) The governing bodies of the association operate at its registered office.

### **Article 6. Governing and supervisory bodies of the association**

- (1) The governing bodies of the association are:
  - a) the general meeting of its members;
  - b) the board;
  - c) the Executive Director.
- (2) The supervisory body of the association is the audit committee.

### **Article 7. Services provided by the association**

- (1) The association, depending on the category of license held, may offer the following services to its members:
  - 1) granting loans;
  - 2) accepting the following types of savings deposits:
    - a) term deposits;
    - b) demand deposits;
  - (3) provision of loan-related services;
  - 3<sup>1</sup>) provision of insurance intermediation services as a bancassurance agent;
  - 4) provision of consultancy services;
  - 5) provision of other services with the written consent of the supervisory authority.
- (2) The association may invest its funds, not utilized in the granting of loans, only in bank deposits, government securities and/or liquidity fund, in accordance with the legislation and investment policy approved by the Board.
- (3) In carrying out the activities specified in paragraphs (1) and (2), the association is bound to comply with the requirements and limits set by the supervisory authority.

(4) The association is not entitled to provide other financial or other services, to violate the conditions of the license, as well as to carry out commercial or production activities other than those set out in the license held and directly resulting therefrom.

*[Article 7 (2) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 7 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 7 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 8. Rules of financial prudence**

(1) The supervisory authority shall establish financial prudential rules, applied to all licensed associations, in order to protect the interests of their members, prevent, control and manage the risks of the associations and of the whole system.

(2) Associations are required to comply with the financial prudential rules established by the supervisory authority for each category of license held, which rules shall cover at least the requirements on:

- a) institutional reserve;
- b) maximum limits for granting loans;
- c) liquidity, matching of maturities and interest rates on claims and liabilities;
- d) valuation and classification of assets, formation of provisions to cover loan losses;
- e) payment and maintenance of the minimum level of investments and contributions to the liquidity and stabilization funds, respectively;
- f) establishing internal procedures and operational records for identifying, recording and managing risks;
- g) assessing the creditworthiness of the individual debtor member who intends to benefit or does benefit from the services of the savings and loan association for needs unrelated to entrepreneurial or professional activity;
- h) systemic risk prevention and mitigation instruments and macroprudential policy instruments.

(3) All operations of granting loans and accepting savings deposits will be documented by appropriate contracts signed by the parties, which will clearly reflect the amounts, terms, interest rates and other necessary conditions, in accordance with the provisions of the law and the respective policies of the association.

(3<sup>1</sup>) Prior to the conclusion of a loan contract, the savings and loan association shall assess the creditworthiness of the individual debtor member in accordance with the financial prudential rules approved by the supervisory authority.

(3<sup>2</sup>) In assessing the creditworthiness of the individual debtor member, the savings and loan association evaluates the ability of the individual debtor member to assume a particular obligation under the loan agreement which it could honour together with the loan obligations already assumed.

(3<sup>3</sup>) The assessment of the creditworthiness of the individual debtor member aims at:

- a) preventing any delay in making payments, default on a loan or delay in exercising a right of pledge;
- b) not to allow the lending process to exceed the maximum permissible level of indebtedness of the members of the association, in compliance with the requirements laid down by the supervisory authority;
- c) ensure repayment of the loan out of the income of the borrower, and not by forced recovery from the pledged asset or from changes in the value of the pledged asset, or from other assets of the borrower.

(4) The management and supervisory bodies of the association shall be bound to inform the supervisory authority without delay of any breach of the rules of financial prudence.

*[Article 8 (2) supplemented by Law No 174 of 11.07.2024, in force as of 02.08.2024]*

*[Article 8 (2) supplemented by paragraphs (3<sup>1</sup>)-(3<sup>3</sup>) added by Law No 93 of 07.04.2022, in force as of 29.05.2022]*

*[Article 8 (2) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*  
*[Article 8 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*  
*[Article 8 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

**Article 9. Rights and obligations of the association**

(1) The association is entitled:

- a) to dispose of its assets;
- b) to acquire and exercise patrimonial and non-patrimonial rights in its own name;
- c) to assume obligations;
- d) to borrow from the central association as well as from other creditors except natural persons;
- e) to acquire assets of another association, including the central association;
- f) to appear as plaintiff or defendant in a court of law.

(2) The association is bound to operate in accordance with the law, its statute, and internal regulations, including:

- a) to provide, at the request of its members, information on its activities in accordance with this law and its statute;
- b) to submit, in accordance with the Law on accounting, accounting standards and the regulatory acts of the supervisory authority, financial statements and specific reports, other documents, information and data on its activity;
- c) in case of accepting savings deposits from its members, to participate in the establishment of the liquidity fund and the stabilization fund, in the size and in the manner determined by the supervisory authority;
- d) to allow the staff of the supervisory authority and the insolvency administrators access to and cooperate with the head office and branches of the association
- e) to execute the regulatory acts of the supervisory authority and ensure the implementation of stabilization measures;
- f) to become a member of the central association.

*[Article 9 (2) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]*  
*[Article 9 (1), (2) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*  
*[Article 9 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*  
*[Article 9 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

**Article 10. Restrictions on the activity of the association**

The association is not entitled:

- a) to grant services to persons who are not members of the association;
- b) to conduct activities or operations abroad;
- c) to grant services or carry out investments, in accordance with Article 7, in foreign currency;
- d) to carry out investments other than those referred to in Article 7 paragraph (2);
- e) to accept savings deposits for the repayment of the debts of the association, including loans and credits received by it;
- f) to attract deposits if it does not hold the type of license concerned or if the association is in the process of insolvency;
- g) to make the conclusion of contracts for granting loans or accepting savings deposits with its members conditional on the requirement to use other types of services provided for by this law;
- h) to apply the annual loan interest rate specified in the loan agreement if it exceeds 50% and all other related payments (fees, charges, penalties, interest on late payment and any other type of payment), excluding interest, per day of the loan exceed 0.04% of the total amount of the loan for the term of the actual use of the loan, in the case of a loan granted to an individual debtor member who intends to benefit or is benefiting from the services of the savings and loan association for needs unrelated to entrepreneurial or professional activity;

i) to set the total cost of the loan (including interest, commissions, fees, charges, penalties, interest on arrears and any other type of payment) higher than the amount disbursed under the relevant contract to the individual debtor member who intends to benefit or is benefiting from the services of the savings and loan association for needs unrelated to entrepreneurial or professional activity, which loan is not intended for the purchase, construction or renovation (upgrading) of a dwelling secured by real estate in order to secure the repayment obligation of the relevant loan.

*[Article 10 letter h) amended by Law No 175 of 30.06.2023, in force as of 03.07.2023]*

*[Article 10 letters h), i) added by Law No 93 of 04.07.2022, in force as of 05.29.2022]*

*[Article 10 letter d) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 10 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 10 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 11. Liability of the association and its members**

(1) The association is liable for its obligations with its entire property.

(2) The members of the association are not liable for the association's obligations and the association is not liable for the obligations of its members.

#### **Article 12. Requirements for administrators**

(1) The administrators must meet the requirements set by the normative acts of the supervisory authority regarding experience, education, business reputation, family ties.

(2) The administrators must be members of the association. This requirement does not apply to the executive director, the chief accountant of the association, the head of the branch and the special manager, who may not be members of the association. Administrators take up their duties if they comply with the requirements set out in paragraph (1). The administrators of the association holding the category B license, or the central association license begin to exercise their duties after their confirmation in office by the supervisory authority in accordance with the procedure laid down in its normative acts. The confirmation of the said administrators in office by the supervisory authority must take place within 30 calendar days.

(3) A person may not be an administrator of the association who:

a) holds another position within the same association, with the exception of the position of member of the credit committee;

b) is a trustee of another association, with the exception of the persons referred to in Article 501 (4) and Article 55 (8) and (9);

*[(c) excluded by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

d) by legislation or by court decision, is deprived of the right to hold that office;

e) has an active criminal record;

f) is subject to a legal guardianship measure in the form of guardianship;

g) is a debtor, with a loan past due for more than 90 days;

h) is an auditor of this association;

i) holds positions in the governing bodies of banks or non-bank credit organizations.

(4) The directors who have adopted joint decisions that have prejudiced the interests of the association are jointly and severally liable towards the association for the amount of the damage caused.

(5) The supervisory authority is entitled to withdraw the confirmation in office of the administrators in the following cases:

a) finding of the grounds referred to in paragraph (3) and/or damage to the interests of the association;

b) failure to comply with the repeated requirements of the supervisory authority to comply with the provisions of this law and/or subordinate normative acts.

*[Article 12 (1) in the wording of Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 12 (3) amended by Law No 32 of 27.02.2020, in force as of 02.05.2020]*  
*[Article 12 (2), (3) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*  
*[Article 12 amended by Law No 238 of 08.11.2018, in force as of 30.12.2018]*  
*[Article 12 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*  
*[Article 12 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

### **Article 13. Conflict of interest**

(1) The association must avoid conflicts of interest in its activities.

(2) If a conflict of interest arises, the association will resolve it in accordance with civil law.

(3) For the purposes of this article, a conflict of interest is the situation or circumstance in which the personal interest, direct or indirect, material or immaterial, of persons, resulting from their capacity as administrators and their relations with close persons, related by blood or affinity up to and including the second degree, or with legal entities, is contrary to the interest of the association or the central association, in such a way that it affects or could affect their independence and impartiality in decision-making.

(4) In order to avoid conflicts of interest, including situations that may give rise to conflicts of interest, the administrators and employees of the association have the following obligations:

a) not to pursue a financial or personal interest and to act solely in the interests of the association and its members;

b) not to offer loans from their own sources to members or accept savings deposits from members in their own name;

c) not to use the assets or symbols (emblem, letterhead, stamp) of the association for personal purposes and not to engage in personal business on behalf of the association;

d) other obligations laid down in the Code of Good Conduct in the system of savings and loan associations, approved by the central association.

*[Article 13 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

### **Article 14. Confidentiality of information**

(1) Administrators and employees of the association, past and present, are obligated to keep the confidentiality of the information they have become acquainted with in the course of performing their duties, not to use it for personal or third parties' purposes and not to allow them access to the information, except for the disclosure of information made in accordance with paragraph (2).

(2) Confidential information is disclosed to the supervisory authority, internal auditors of the central association, criminal prosecution bodies, courts of law and state control authorities.

(3) The board of the association will approve the nomenclature of confidential information and documents, the manner and level of access to them.

(4) For the purposes of this article, the association is required to ensure the confidentiality and security of all facts, data and information relating to the activity carried out or at its disposal, concerning the person, property, activity, business, personal or business relations of the members, information on the services rendered or contracts concluded with clients who benefit from the services or have previously benefited from them, including information obtained in the process of negotiations that did not result in the conclusion of the contract.

*[Article 14 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

### **Article 15. Preservation of and access to documents**

(1) The association is obliged to ensure the preservation of the following documents:

a) the certificate of state registration;

b) the license;

c) bylaws, its amendments and supplements;

d) internal regulations, their amendments and additions;

e) policies of the association;

- f) the register of members and the documents specified in Article 18 paragraph (1);
  - g) the minutes of the general meetings of the association's members, the meetings of the board and the meetings of the auditors' committee;
  - h) orders, provisions and activity reports of the governing and supervisory bodies;
  - i) contracts and agreements;
  - j) primary and centralizing documents, financial statements, specific reports and fiscal and statistical reports;
  - k) the supervisory authority's control documents, the reports of the audit committee, the auditor's reports and other control documents relating to its activity;
  - l) other documents provided for in the normative acts, the statute, and internal regulations.
- (2) The documents specified in paragraph (1) are to be kept at the registered office of the association within the following time limits:
- a) those under (a)-(f) - permanently;
  - b) those under (g)-k) - 5 years;
  - c) those under (l) - within the terms laid down in the relevant acts.
- (3) The association ensures access to the documents referred to in paragraph (1) to the representatives of the supervisory authority and other public administration authorities, authorized according to the legislation.

*[Article 15 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

#### **Article 16. Branches**

- (1) Branches of the association are registered in the manner and under the conditions established by the legislation on state registration of enterprises and organizations.
- (2) The association may establish only branches on the territory of the Republic of Moldova, taking into account the provisions of Article 29.
- (3) The branch carries out its activity on the basis of the relevant regulations approved by the board of the association.
- (4) The branch has the right to render any services permitted by the license.

*[Article 16 (5) repealed by Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 16 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

### **Chapter III MEMBERS OF THE ASSOCIATION**

#### **Article 17. Conditions for membership**

- (1) The members of the association may be natural persons in respect of whom a legal guardianship measure in the form of guardianship has not been instituted and legal entities that meet the following conditions:
- a) natural persons are citizens of the Republic of Moldova or stateless persons; legal entities are registered in the Republic of Moldova according to the legislation and no insolvency proceedings are instituted against them;
  - b) have been approved by the association's board;
  - c) have paid the membership fee in accordance with the statutes of the association.

(2) A person become a member of the association after the adoption by the board of the decision on their admission to the association and after payment of the membership fee.

*[Article 17 amended by Law No 238 of 08.11.2018, in force as of 30.12.2018]*

#### **Article 18. Application for membership in the association**

- (1) The application for admission to the association is individual. Copies of the following documents must be attached:
- a) the identity card - in case of natural person;

b) the extract from the State Register of Enterprises and Organizations - in case of a legal entity registered by the state registration body, and the certificate of registration in the Register of Peasant (Farmer) Households - in case of a peasant (farmer) household;

c) other documents required by the statute.

(2) The application for admission to the association must be submitted at its registered office or at any branch of the association. The board of the association will examine the application at its next meeting and will make a decision regarding the admission or refusal of admission to the association.

*[Article 18 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 18 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 19. Rights of the member of the association**

(1) The member of the association is entitled:

a) to participate in the activities of the association, to vote and to be elected to the board of the association or to the audit committee;

b) to attend the general meetings of the association' members in person or through their representative authorized by a power of attorney, issued in the manner prescribed by law;

c) to receive information, data and documents relating to the activities of the association from the administrators, within the time limits and in the manner provided for by the statute;

d) to benefit from the services of the association.

(2) The member of the association also enjoys other rights provided for by the law and the statute of the association.

(3) Infringement of the rights of the members of the association may be challenged in the governing bodies of the association, in the supervisory authority or in the court.

#### **Article 20. Obligations of the member of the association**

The member of the association is obliged:

a) to comply with the provisions of this law, the statute and internal regulations of the association;

b) to inform the association about any change of their own data entered in the register of the associations' members;

c) refrain from engaging in any action that may prejudice the association.

#### **Article 21. Membership fee**

(1) The amount of the membership fee is determined by the general meeting of the association's members.

(2) Members of the association do not retain the right to the membership fee they have paid.

(3) It is prohibited to differentiate the size of the membership fee according to the services rendered to the members, as well as the size of the membership fee of natural person members and legal entity members.

*[Article 21 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 22. Liability for non-repayment of loan and/or non-payment of interest at maturity**

(1) If the member fails to repay the loan granted by the association on the due date, fails to pay the interest and other amounts related to the loan in accordance with the loan contract, the losses caused to the association will be covered successively:

a) from the pledge and other forms of security for the loan granted to the member in accordance with the law and the loan contract;

b) from the account of interest on savings deposits;

c) from the savings deposits account;

d) from other assets of the member, pursuant to the decision of arbitration or the court.

(2) If the association has granted a loan in violation of the provisions of this law and the rules of financial prudence, the debtor, along with the administrators who, knowing of the fact of the violation, adopted the decision to grant the respective loan, shall be jointly and severally liable to the association for the outstanding balance of the loan and/or the non-payment of the related interest, except for the administrators who voted against the loan and whose opinion was separately recorded in the minutes of the respective meeting.

(3) In the event that the association has breached the provisions of Article 10 (h) and (i), it has the right to claim the repayment of the initial amount disbursed under the loan agreement, without claiming other payments specified in the agreement (which include interest, commissions, fees, charges, penalties, interest for late payment and any other type of payment). These provisions also apply in cases where the association has assigned to a third person the right to collect claims arising under the loan agreement.

*[Article 22 (3) amended by Law No 175 of 30.06.2023, in force as of 03.07.2023]*

*[Article 22 (3) added by Law No 93 of 07.04.2022, in force as of 29.05.2022]*

### **Article 23. Termination of membership**

(1) The membership in the association ceases through withdrawal, exclusion, death of the natural person, reorganization, or liquidation of the legal person and by liquidation of the association.

(2) A member may be excluded from the association by a decision of the board for failure to comply with the provisions of Article 20 or paragraph (4) of this Article in accordance with the procedure laid down in the Articles of Association.

(3) The exclusion of a debtor member from the association does not exempt them from liability for the non-repayment of the loan and/or the non-payment of the related interest when due.

(4) The Board of the association is entitled to withdraw membership if the person concerned has not attended consecutive ordinary general meetings for more than 3 years. The decision of withdrawal is communicated to the member of the association by registered letter within 15 working days of receipt of the decision. Within 3 months of the date of receipt of the decision, the excluded member is entitled to apply to the association board for reinstatement of membership.

*[Article 23 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

### **Article 24. Register of members of the association**

(1) The association is obliged to maintain the register of its members.

(2) The register of members shall be kept in accordance with this law, the statute, and the internal regulations of the association.

(3) The register of members of the association contain:

- a) the full name of the association and its registered office;
- b) the name, surname and domicile of the natural person member;
- c) the name, unique identification number, legal address of the legal entity member;
- d) any other information laid down in the statute.

(4) The documents specified in Article 18 paragraph (1) shall be attached to the register.

(5) The executive director or, in case the executive director has not been appointed, the board is responsible for keeping the register of members of the association and is required to issue the extract from the register within 5 days from the date of submission of the written request.

*[Article 24 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

## **Chapter IV**

### **ESTABLISHMENT AND STATE REGISTRATION OF THE ASSOCIATION**

#### **Article 25. Establishment of the association**

(1) The association is established by a decision of the founding meeting.

(2) The founding meeting of the association is held on voluntary principles and may be attended by natural persons and legal entities that comply with the provisions of Article 17 paragraph (1) (a).

(3) The founding meeting:

a) decides on the constitution of the association;

b) approves the statute of the association;

c) approves the first composition of the Board, for a term of 2-4 years, so as to comply with the provisions of Article 41 paragraph (2), and the composition of the audit committee of the association;

d) determines the person(s) authorized to represent the association upon its registration;

e) settles other issues concerning the initiation of the association's activity.

(4) The founding documents of the association are:

a) the minutes of the founding meeting, to which the list of founders with their signatures is attached;

b) the statute.

(5) The minutes of the founding meeting and the statute are signed by the president and the secretary of the founding meeting.

*[Article 25 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 26. Statute of the association**

(1) The statute of the association shall include:

a) the name of the association;

b) the registered office of the association;

c) the purpose and principles of activity, the administrative-territorial boundaries within which the association is authorized to operate in accordance with the category of license it holds (applies for);

d) the types of activity permitted under Article 29;

e) the name, surname, domicile, date of birth, citizenship and other data from the identity documents of the founders;

f) the conditions and manner of admission to the association, the manner of withdrawal and exclusion of its members;

g) the amount of the membership fee;

h) the manner of formation of assets, including capital;

i) the rights and obligations of members and of the association;

j) the procedure for appointing and dismissing the members of the association's governing and supervisory bodies and the chairman of the association's board;

k) the structure and competence of the governing and supervisory bodies of the association;

l) the manner of activity of the governing and control bodies, the adoption of decisions, including in case of conflict of interest;

m) the manner of presenting information to the members of the association and the liability of the administrators for failure to present it;

n) the information concerning the branches of the association, the manner of their founding and liquidation;

o) the manner and conditions of reorganization and liquidation of the association.

(2) Other provisions not in conflict with the law may be included in the statute of the association.

(3) Provisions of the statute of the association which contravene the law are null and void.

(4) Amendments and additions to the statute of the association are made with the approval of the supervisory authority issued in accordance with Article 27 paragraph (3).

*[Article 26 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 27. State registration**

(1) The association shall be registered in accordance with the legislation on state registration of legal entities and individual entrepreneurs.

(2) State registration of the association is carried out with the consent of the supervisory authority.

(3) The supervisory authority determines, by regulation, the procedure for requesting and issuing the approval, the documents required to be attached to the application for approval, the grounds for refusal of the application and the manner of informing the association.

*[Article 27 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

## **Chapter V LICENSING OF THE ASSOCIATION**

### **Article 28.** Licensing of the association

(1) The registered association is subject to licensing in accordance with this law and the normative acts of the supervisory authority. Throughout the duration of their activity, associations are required to comply with the requirements established for obtaining a license.

(2) The license will contain information on the administrative-territorial boundaries within which the association is licensed to operate.

(3) The license is issued for an unlimited term.

(4) The copy of the license will be displayed in plain view in the place where the association is authorized to operate and where it can be read by the public.

(5) The fee for the issuance of the category A license is MDL 1625 and the fee for the issuance of the category B license and the license for the activity of the central association MDL - 3250. The fee for the reissue of the license and/or for the issuance of a copy of the license is 10 percent of the amount of the fee for the issuance of the license, but may not exceed MDL 585, and the fee for the issuance of a duplicate of the license is MDL 585.

(6) The fees for issuing and reissuing the license, as well as for issuing the copy or duplicate thereof, shall be paid into the state budget.

*[Article 28 paragraph (6) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 28 paragraph (5) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 28 amended by Law No 216 of 23.11.2017, in force as of 01.01.2018]*

*[Article 28 amended by Law No 225 of 15.12.2017, in force as of 29.12.2017]*

*[Article 28 amended by Law No 158 of 05.07.2012, in force as of 27.07.2012]*

*[Article 28 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

*[Article 28 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

### **Article 29.** License categories and licensing conditions

(1) For the purpose of controlling the risks assumed by the association, the following categories of activity license are established: A, B, and central association license, granted by the supervisory authority. The particulars of establishment, licensing and activity of the central association are laid down in Chapter XI.

(2) A category A license may be granted to an association whose members are only natural persons and whose purpose is to provide to its members the services specified in Article 7 paragraph (1) point 1) and points 3)-5). The license is valid within the limits of the first level administrative-territorial unit in which the association is registered and does not grant the right to establish branches in the territory of the said unit.

(3) A category B license may be granted to an association which has held a category A license for at least one year, the total assets amounting to at least MDL 1,500,000, whose members are natural persons and legal entities in the number of at least 200 and whose purpose is to provide its members with the services specified in Article 7 paragraph (1) points 1), 2) (a) and points 3)-5). The license is valid within the limits of the administrative-territorial unit of the second level in which the association is registered and grants it the right to establish branches on the territory of the said unit.

*[Article 29 paragraph (4) repealed by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

(5) The association holding a category A or B license may request the territorial extension of the action of the license on the neighbouring administrative-territorial unit of the same level, or lower level, as the case may be, without changing the category of the license held. The extension of the action of the license may be approved only to the administrative-territorial units in the immediate vicinity of the unit in which the applicant association's registered office is registered.

(6) The territorial extension of the license action is performed through reissuance, in accordance with Article 30. The change of the license category is carried out by issuing it in accordance with Article 30.

(7) The category B license may be granted to associations that meet the following minimum requirements in terms of premises and technical equipment:

a) headquarters - premises with an operational area of at least 20 square meters, located in premises not intended for non-occupational use;

b) technical equipment requirements: telephone connection; safe; computer with internet connection; accounting software adapted to the needs of the associations, with the possibility of drawing up financial statements and specific reports, generalization (consolidation) of financial information and its analysis.

*[Article 29 paragraph (2), (3) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 29 paragraph (1), (7) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 29 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 29 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

*[Article 29 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

### **Article 30.** Declaration for issuance or application for license reissuance

(1) The application for the issuance or reissuance of the license must be submitted in accordance with this law and the normative acts of the supervisory authority, enclosing the documents specified by the aforementioned legislation, those referred to in paragraph (2) or, as the case may be, those referred to in paragraph (3) of this Article.

(2) The association must attach the following documents to the license issuance application:

a) the business-plan of the association for the next 3 years of activity, which will include information on the association's membership and principles of association, territorial boundaries and services envisaged to be provided under the requested license, policies regarding loans, savings deposits, investments and personnel, financial plan, including forecast of income, expenses and financial results, cash flow forecast, strategy for compliance with the institutional reserve requirement, loan risk management, including asset diversification, liquidity risk and interest rate risk, internal control system, etc.;

(b) a copy of the deed of ownership, lease, tenancy agreement, *commodatum* or other document evidencing the real rights over the real estate in which the association will carry out its activities;

c) documents confirming that the association complies with the provisions of Article 29 paragraph (7) (b) - for associations applying for the issuance of the category B license.

(3) In the case of submitting the application for the reissuance of the license on the basis of the provisions of Article 29, the association must attach the documents specified in paragraph (2) of this Article. In case of change of the name and/or legal address of the license holder, the business plan of the association shall not be attached to the application for the license reissuance.

(4) The supervisory authority shall accept the declaration for issuance or application for reissuance of the license if it is established that:

a) the association intends to operate in accordance with this Act and the regulations of the supervisory authority;

b) the association has made all the necessary arrangements and adequately planned the resources needed for a safe, prudent, and financially stable activity.

(5) The supervisory authority will make a decision on the issuance or reissuance of the license within 15 working days from the date of receipt of the relevant declaration/application.

(6) The supervisory authority, ex officio or at the request of the association, reissues the license in case of a change of the name of the street, locality, or administrative-territorial unit in accordance with the legislative or normative act of the respective authorities. No fee will be charged for the reissuance of the license in this case.

*[Article 30 paragraph (2) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 30 amended by Law No 225 of 15.12.2017, in force as of 29.12.2017]*

*[Article 30 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 30 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

*[Article 30 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

### **Article 31. Suspension of the license**

(1) The license is suspended by a decision of the supervisory authority, in accordance with the provisions of this law and the normative acts of the supervisory authority.

(2) The supervisory authority will decide on the necessity of suspending the license, taking into account the specificity of the association's activity, the need to avoid interruption of the activity, the association's objective, which is to continuously provide qualitative and diverse services to its members, as well as the need to continuously protect the legal rights and interests of its members. In this regard, the supervisory authority will examine the possibility of applying the provisions of Article 49 without suspending the association's license.

(3) The supervisory authority may suspend the license on the basis of a breach by the association of the rules of financial prudence and the provisions of the legislation in force.

(4) The supervisory authority will suspend the license for a specified period, which may not exceed 12 months, it will set out the indications for mandatory execution, as well as the deadline for submission of the report on the elimination of the violations. For this purpose, the supervisory authority may, on its own or together with the association concerned, draw up a plan of measures to remedy the breaches established and to comply with the legislation.

(5) The decision on suspension of the license is communicated to the association within 3 working days from the date of adoption.

(6) From the date of adoption of the decision to suspend the license, it is forbidden to conclude or amend contracts on granting/restructuring of loans, acceptance of savings deposits, placement of investments. At the same time, the association will ensure the execution of the obligations assumed by the contracts concluded prior to the decision on license suspension.

(7) The reinstatement of the license's validity is conditioned on the proper implementation of the directions set out in paragraph (4). The association shall draw up and submit to the supervisory authority, within the established deadline, a report on the removal of infringements, detailing the actions taken. Failure to submit the report is considered as a failure to comply with the normative acts of the supervisory authority.

(8) The supervisory authority examines the submitted report ex officio or on-site and decides on:

a) the reinstatement of the license's validity, with or without the application of stabilization measures, in accordance with Article 49;

b) the necessity to withdraw the license.

(9) Such decision shall be made within 30 working days from the date of receipt of the report and shall be communicated to the association within 3 working days from the date of its adoption.

*[Article 31 paragraph (9) amended by Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 31 amended by Law No 225 of 15.12.2017, in force as of 29.12.2017]*

*[Article 31 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 31 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

**Article 32. Withdrawal of the license**

(1) The license is withdrawn by a decision of the supervisory authority in accordance with the provisions of this law and the regulatory acts of the supervisory authority.

(2) Additional grounds for license withdrawal serve if:

a) the association has not started the activity for which it was licensed within 1 year from the date of the decision on the issuance of the license;

b) the number of members of the association, within a period of 6 months, is less than the number of members specified in Article 4 paragraph (3) or, as the case may be, Article 54 paragraph (2);

c) insolvency proceedings are instituted against the association;

d) the association requests the withdrawal of the license or expressly renounces it.

*[Paragraph 3 Article 32 excluded by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

(4) From the date of adoption of the decision to withdraw the license, the association is required to submit to the supervisory authority, within 10 working days, the original license and to cease all activities and operations, except for activities related to administrative functioning, to liquidate its assets and to meet its obligations.

(5) After the withdrawal of the license, the association remains subject to this law until it is liquidated and removed from the State Register of Enterprises and Organizations.

*[Article 32 paragraph (2) supplemented by Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 32 amended by Law No 225 of 15.12.2017, in force as of 29.12.2017]*

*[Article 32 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 32 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

**Chapter VI  
RESERVES AND LIQUIDITY**

*[Title of chap. VI amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

**Article 33. Institutional reserve**

(1) The institutional reserve is formed from membership fees, the undistributed profit of the previous years, the net profit of the management year, reduced by the uncovered loss of the previous years and the net loss of the management year.

(2) An association holding a category A license is required to hold and maintain institutional reserves, in relation to the value of its assets at any date, as follows:

a) minimum 1% - starting with the second year of activity;

b) minimum 2% - starting with the third year of activity;

c) minimum 3% - starting with the fourth year of activity;

d) minimum 4% - starting with the fifth year of activity;

e) minimum 5% - starting with the sixth year of activity.

(3) An association holding a category B license is required to hold and maintain institutional reserves, in relation to the value of its assets at any date, as follows:

a) minimum 2% - starting with the second year of activity;

b) minimum 4% - starting with the third year of activity;

c) minimum 6% - starting with the fourth year of activity;

d) minimum 8% - starting with the fifth year of activity;

e) minimum 10% - starting with the sixth year of activity.

(4) An association licensed as a central association is required to hold and maintain the institutional reserve, in relation to the value of its assets at any date, as follows:

a) minimum 6% - starting with the second year of activity;

b) minimum 8% - starting with the third year of activity;

c) minimum 10% - starting with the fourth year of activity.

*[Article 33 paragraph (4) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 33 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 34. Reserves**

(1) The association may establish reserves in accordance with the statute and the decisions of the general meeting.

(2) The reserves created under paragraph (1) shall be used in accordance with the statute or the decisions of the bodies of the association, which are competent to adopt such decisions, provided that the association complies with the requirements on the institutional reserve set out in Article 33.

#### **Article 35. Liquidity**

(1) In order to meet the withdrawal requirements from savings deposit accounts, each association, licensed to accept savings deposits, will create, and maintain liquidity in accordance with the requirements established by the supervisory authority.

(2) In order to fulfil the liquidity requirements, the association will make investments in the liquidity fund and in financial instruments in accordance with the regulations of the supervisory authority.

(3) The liquidity fund may be invested in financial instruments in the amount and in the manner determined by the supervisory authority.

### **Chapter VII**

#### **GOVERNING AND SUPERVISORY BODIES OF THE ASSOCIATION**

##### **Article 36. General meeting and its competence**

(1) The general meeting of the members of the association is the supreme governing body of the association.

(2) The exclusive competence of the general meeting includes:

a) approval of the statute, amendments and additions thereto;

b) approval of the regulations of the association's board, the regulations of the audit committee and other regulations provided for by this law and the association's statute, approval of amendments and additions thereto;

c) election and dismissal, including before the term, of the members of the association's board, of the audit committee and of the substitute members;

d) election of the members of the vote counting committee;

e) approval of the membership fee amount;

f) adoption of decisions on the founding, out of the profits, of reserves other than those established by law and the statutes;

g) approval of the annual report of the board on its activity and the activity of the association, including the execution of the budget, the report of the executive director, accompanied by the annual financial statements of the association, the annual report of the audit committee, accompanied by its report on the mandatory annual audit, and the auditor's report, in case of auditing;

h) adoption of the decision on the carrying out of the audit and the selection of the audit organization;

i) adoption of the decision on joining the central association and withdrawing from it;

j) adoption of decision on the establishment and liquidation of branches;

k) adoption of the decision on the reorganization or voluntary liquidation of the association, appointment of the liquidator(s), approval of the liquidation balance sheet of the association;

l) outsourcing the association's internal control services to the central association or to an audit company.

(3) The general meeting of members may, by the statute of the association, be given other powers.

(4) Decisions of the general meeting of members that contradict the law, including the regulations of the supervisory authority, are null and void.

(5) Decisions of the general meeting are binding for the administrators, employees and members of the association.

*[Article 36 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 36 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 37. Convocation of the general meeting**

(1) General meetings of the association's members are ordinary and extraordinary.

(2) Ordinary general meetings of the members are convened by the president of the association's board or the executive director, on the basis of a decision of the board, at least once a year. The ordinary annual general meeting shall take place not later than 3 months after the end of the management period.

(3) Extraordinary general meetings are convened by the president of the board or the executive director:

a) by the decision of the board;

b) at the request of the audit committee;

c) at the request of at least 10% of the members of the association;

d) at the request of the supervisory authority.

(4) The association's board decides on the date, time, place, and agenda of the general meeting convened in accordance with paragraph (2) or (3). The agenda of the general meeting convened under paragraph (3) (b) to (d) will include matters that reflect the reasons for convening the meeting. The board will make the decision regarding the convocation of the general meeting within a timeframe that does not hinder the execution of the provisions of paragraph (5).

(5) The president of the board or the executive director informs the members of the association about the convening of the general meeting, in the manner established by the statute, at least 15 working days before the convening of the general meeting. The association ensures that the members are informed of the date, time, place, and agenda of the general meeting by publishing a notice on the notice board of the city hall and the association and/or in another manner established by the statute.

*[Article 37 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 37 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 38. Conduct of the general meeting**

(1) The general meeting is deliberative if at least 1/4 of the total number of members are registered, but not fewer than 50 members. The registration of members is completed before the beginning of the meeting.

(2) If it is not deliberative, the general meeting shall be convened repeatedly. The date of the repeated general meeting shall be determined by the association's board. The members of the association are informed of the convening of the repeated general meeting in the manner provided for in Article 37 paragraph (5).

(3) The repeated general meeting is deliberative if at least 1/8 of the total number of members are registered, but not fewer than 30 members or a higher number of members provided for by the statute of the association.

*[Paragraph (3<sup>1</sup>) repealed by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

(4) The decisions of the general meeting on the matters referred to in Article 36 paragraph (2) (a) and (k) shall be adopted by a vote of at least 2/3 of the total number of members registered

at the meeting. In other matters, decisions shall be adopted by a simple majority of the votes of the members registered at the meeting.

(5) The president of the general meeting shall be the president of the board, unless the general meeting of members designates another person.

(6) The general meeting shall elect the vote counting committee of at least 3 persons. The chairperson of the counting committee shall be the president of the audit committee, unless the general meeting appoints another person. The work of the committee shall be recorded in minutes, signed by all committee members, which shall be annexed to the minutes of the general meeting in question.

(7) The proceedings of the general meeting are recorded in minutes signed by the chairperson and the secretary of the meeting.

(8) The following documents are annexed to the minutes of the general meeting:

a) decision regarding the convening of the general meeting;

b) confirmation of the notification of the members regarding the convening of the general meeting;

c) list of members of the association registered at the meeting, with their signatures;

d) other documents laid down in the statutes or by the decision of the general meeting.

(9) The president of the association's board is responsible for keeping the minutes of the general meetings and maintaining the record in the respective register.

(10) The association is bound to provide its members with access to all materials for the agenda of the general meeting at least 15 working days prior to the general meeting by posting and/or placing them in an accessible place, designating a person responsible for the disclosure of the respective information, as well as in any other manner established by the association's statute. Upon the request of any member or administrator, the association is required to produce extracts and copies of the documents referred to in Article 36 paragraph (2) (g) and other documents provided for in the statute of the association.

*[Article 38 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 38 amended by Law No 160 of 07.07.2016, in force as of 16.09.2016]*

*[Article 38 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

### **Article 39. Representation of members at the general meeting**

(1) The statute of the association may provide for the representation of members at the general meeting in accordance with the law.

(2) Members of the association may be represented at the general meeting only by other members of the association, but not by members of the board, the audit committee and the executive director, who are not entitled to represent members of the association.

(3) A single representative may hold not more than 10 votes, including his own vote, so that the number of votes held by a representative does not exceed 5% of the number of members of the association.

(4) The representative shall vote on the basis of a mandate, signed by the president and the secretary of the meeting, the president of the vote-counting commission and issued based on the proxy(ies) presented. The mandate contains the name and surname of the members represented and is annexed to the minutes of the vote-counting commission.

(5) The representative and the members represented are listed in the minutes of the respective general meeting.

### **Article 40. The Board and its competence**

(1) The board of the association represents the interests of the members between general meetings and exercises, within the limits of its competence, the general management and control over the association's activities. The board is subordinated to the general meeting of the association's members.

(2) The exclusive competence of the board of the association is:

- a) to adopt decisions regarding the convening of ordinary and extraordinary general meetings;
- b) to adopt decisions regarding the admission and exclusion of members from the association;
- c) to approve policies relating to loans, savings deposits, investments, staff and other policies relating to the activity of the association, to assume responsibility for the implementation of the policies and to control their execution;
- d) to appoint and dismiss the executive director;
- e) to appoint and dismiss members of the credit committee;
- f) to approve the contracting of bank loans, bank guarantees, to approve the pledging of the association's assets;
- g) to adopt decisions regarding the granting of loans, if no members of the credit committee have been appointed;
- h) to delegate the approval of loans to the loan committee or employees of the association in accordance with the loan policy;
- i) to approve and monitor the execution of the annual budget;
- j) to adopt decisions regarding the utilization of the association's reserves in accordance with the statute;
- k) to approve the nomenclature of confidential information and documents, the manner and level of access to them;
- l) to substitute the withdrawn members of the board of the association with alternate members;
- m) to approve the regulations of the branches, as well as the appointment and dismissal of their managers;
- n) to approve the association's business plan.

(3) The board of the association may, by the association's statute and by the board's regulations, be given some of the powers of the general meeting and of the executive director, with the exception of the exclusive powers of the general meeting and of the executive director.

(4) A member of the board shall not have the right to transfer the performance of the tasks within his/her competence to another person.

*[Article 40 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

**Article 41. Election of the Board and its activity**

(1) The numerical composition of the board is determined by the general meeting of the association's members and consists of an odd number of persons, but not fewer than 5.

(2) The members of the association's board are elected and dismissed by the general meeting of the association's members for a term specified in the statute, but not exceeding 4 years. The board members may be re-elected an unlimited number of times. The president of the board is elected and dismissed by the general meeting of the association's members or by the board itself in the manner laid down in the statute.

(3) The board meets as often as necessary, but at least once every quarter. The proceedings of the meeting are recorded in minutes signed by the president and the secretary of the meeting.

(4) Meetings of the board of the association is deliberative if attended by a majority of its members.

(5) Decisions of the board are adopted by simple majority of votes.

(6) Decisions of the board that contravene the legislation, including the normative acts of the supervisory authority, as well as the statute, the decisions of the general meeting, are null and void.

(7) The board of the association submits an annual report to the general meeting of members on its activity and the activity of the association, including the execution of the budget.

(8) The president of the board is responsible for keeping the minutes of the board meetings and maintaining a record of them in the respective register.

(9) The president of the board has the following duties:

a) to convene and conduct meetings of the board;  
b) to conclude an individual employment contract with the executive director of the association;

c) to perform other duties as provided by the board's regulations of the association.

(10) In the absence of the board's president, one of the board members will exercise their duties.

(11) The powers of the association's board cease on the date of:

a) approval of the general meeting's decision regarding the election/re-election/revocation of the members of the association's board or on the date specified therein;

b) expiration of the term set in paragraph (2).

*[Article 41 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 41 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 42. Executive Director**

(1) The Executive Director of the association is responsible for the day-to-day management of the association, except for the exclusive powers of the general meeting and the board of the association.

(2) The Executive Director ensures the execution of the decisions of the general meeting and the board.

(3) The Executive Director has the following exclusive powers:

a) acts without a power of attorney on behalf of the association and represents its interests before public authorities, natural and legal persons;

b) organizes and directs the entire work of the staff subordinate to them, including:

- hires and dismisses the association's staff, applies incentives and disciplinary measures in accordance with labour law;

- determines and approves the functional duties of the association's staff;

c) issues enforceable orders to all association staff;

d) bears personal responsibility for the activities of the association.

(4) The Executive Director performs his/her duties in accordance with this law, the statute, the decisions of the general meeting and the board of the association, the individual employment contract.

(5) The Executive Director may participate in the board meetings of the association without the right to vote.

(6) The Executive Director informs the supervisory authority in writing, within 7 working days, if he/she finds that:

a) the association is unable to pay the statutory payments it is required to make;

b) the recoverable value of the association's assets is less than the sum of its capital and liabilities.

(7) If the Executive Director is not appointed or is temporarily unable to perform his/her duties, they shall be performed by the president of the board, a member of the board or an administrator authorized by a decision of the board.

*[Article 42 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 42 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 43. Audit Committee**

(1) The audit committee of the association exercises the internal control of the activities of the association and is subordinate to the general assembly.

(2) The audit committee consists of an odd number of persons elected by the general meeting for a term of 3 years. The audit committee elects the president of the audit committee from among its members and replaces retiring members with substitute members.

(3) The audit committee carries out its activities based on its own rules of procedure approved by the general meeting of the association's members.

(4) The audit committee:

- a) periodically reviews the activity of the association to control, in accordance with the statutes and its regulations;
- b) controls the accounts, registers, financial statements and other documents of the association;
- c) monitors compliance with the law, financial prudence rules and the association's internal regulations;
- d) performs other duties as laid down in its regulation.

(5) The audit committee performs the compulsory annual audit of the association's economic and financial activity after the preparation of the annual financial statements and until their submission to the supervisory authority. As part of the mandatory annual audit, the audit committee evaluates the organization of the internal control and risk management system in the association, which includes at least the following closely interrelated elements:

- a) carrying out the work effectively and efficiently;
- b) role and responsibilities of the governing bodies;
- c) control activities and segregation of responsibilities, including the application of procedures for the timely identification of impaired loans and the management of non-performing loans;
- d) the duties and powers of the association's administrators, persons engaged in financial activities on behalf of and in the interest of the association, including persons designated to make lending decisions, to sign official documents, other persons within the association;
- e) how risk management procedures are implemented and their effectiveness;
- f) the provision of credible, relevant, complete and timely information to persons involved in decision making within the association, the supervisory authority and external users of information;
- g) implementing best practices in information, communication and conduct practices in relation to consumers of financial services;
- h) ensuring compliance of the association's activities with the legal framework and its own rules;
- i) monitoring, implementing recommendations and correcting deficiencies.

(6) The audit committee may carry out additional audits of the association's activity:

- a) ex officio;
- b) at the request of at least 10% of the members of the association;
- c) by decision of the general meeting of members;
- d) at the request of the board;
- e) at the request of the supervisory authority.

(7) The administrators are required to submit to the audit committee all the documents necessary for the audit and to give verbal and written explanations.

(8) The audit committee draws up reports on the audits carried out, which are signed by the members of the audit committee participating in the audit. If a member of the audit committee does not agree with the report, they will submit a separate opinion, which will be annexed to the report.

(9) The audit committee's report is presented to the governing bodies of the association, to the supervisory authority and to the members of the association at whose request the audit was carried out.

(10) If significant deficiencies are found in the activities of the association, the audit committee is bound to request the board of the association to convene an extraordinary general meeting of the members of the association and to inform the supervisory authority.

(11) The audit committee prepares the annual report on the association's activities, to which the report on the mandatory annual audit is annexed and submits it to the annual general meeting of the association's members.

(12) A member of the audit committee is not entitled to delegate the execution of the tasks within his/her competence to another person.

(13) The general meeting of the association's members has the right to determine the annual fee for the members of the audit committee, as well as the remuneration for each day worked.

*[Article 43 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 43 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

## **Chapter VIII**

### **ACCOUNTING, FINANCIAL REPORTING AND AUDITING**

*[Chapter VIII (Articles 44-45) in the wording of Law No 216 of 23.11.2017, in force as of 15.12.2017]*

#### **Article 44. Accounting and financial reporting**

(1) The association keeps accounts and prepares financial statements and specific reports in accordance with the Accounting Law, accounting standards, methodical guidelines, accounting policies and the normative acts of the supervisory authority.

(2) The association draws up and submits financial statements and specific reports, as well as other information and documents, in the manner and at the intervals laid down by law and the regulations of the supervisory authority.

(3) The general meeting of the association's members approves the annual report of the executive director and the board only if it is accompanied by the annual financial statements of the association and the annual report of the audit committee.

(4) The financial statements of the association, together with the report of the audit committee on the mandatory annual audit of the association's activities, the executive director's report and the auditor's report, shall be submitted to the annual general meeting and to the supervisory authority.

*[Article 44 in the wording of Law No 216 of 23.11.2017, in force as of 15.12.2017]*

#### **Article 45. Audit of financial statements**

(1) The mandatory audit of annual financial statements is performed:

a) in associations that hold a category B license and whose balance sheet total at the end of the management period exceeds MDL 10 million;

b) the central association.

(2) The association will conclude an audit contract with the audit company or with the individual entrepreneur auditor for the performance of the audit activity.

*[Article 45 in the wording of Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 45 in the wording of Law No 216 of 23.11.2017, in force as of 15.12.2017]*

## **Chapter IX**

### **REGULATING AND SUPERVISING THE ACTIVITIES OF ASSOCIATIONS.**

#### **REORGANIZATION AND LIQUIDATION OF THE ASSOCIATION**

#### **Article 46. Regulation and supervision of the activities of associations**

(1) The supervisory authority is the only state body that regulates and supervises the activity of associations.

(2) For the purpose of efficient regulation and supervision of the activities of associations, the supervisory authority is empowered to approve normative acts (regulations, instructions, decisions, resolutions), to carry out controls on the activities of associations, to examine reports, accounts, registers and other documents and information, undertake actions and apply measures for the stabilization of the activities of associations and implement the provisions of this law and related normative acts, manage the stabilization fund, as well as perform any other actions in accordance with this law and the legislation in force.

(3) Simultaneously with the financial prudence rules specified in Article 8, the supervisory authority may establish non-prudential rules related to the principles of association, requirements for administrators, reporting and auditing, depending on the category of license held by the association, determine the manner of attestation of the executive director and chief accountant, as well as recommend operational policies regarding the association's activity.

(4) The supervisory authority may exempt the association from the obligation to comply with one or more of the provisions of its regulatory acts if it is part of a long-term financial stabilization plan.

(5) The supervisory authority may request, and the associations and the central association are required to provide, upon request, the documents and information necessary for the proper execution of the provisions of this law.

(5<sup>1</sup>) For the purpose of supervision, the supervisory authority may request from public authorities and other persons to submit any information in their possession relating to the activities of the associations, their members and their administrators.

(6) The managers and employees of the supervisory authority must ensure the confidentiality of the information which has come to their knowledge in the course of their duties. Such information may be disclosed in the cases and within the limits established by law. Liability for breach of this provision is determined in accordance with the legislation.

*[Article 46 paragraph (5<sup>1</sup>) introduced by Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 46 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 46 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 47. Reorganization of the association**

(1) The association is reorganized through merger (amalgamation or absorption) or by demerger (division or separation), based on the grounds and in the manner prescribed by law, with the prior approval of the supervisory authority. Reorganization by transformation is not applicable to associations.

(2) The board of the association(s) involved in the reorganization process draws up the reorganization plan, which will be approved by the general meeting of the members of the association(s) concerned and by the supervisory authority.

#### **Article 48. Liquidation of the association**

(1) The association is liquidated on the grounds and in the manner laid down by civil law, subject to the exceptions and derogations provided for in this Article.

(2) Apart from the grounds established by civil law, the association will be wound up if:

a) the supervisory authority has withdrawn the license of the association;

b) the association has not filed a declaration of license within one year from the date of state registration;

c) within 2 years from the date of state registration or the date of obtaining the last business license, the association has not submitted to the supervisory authority financial statements or specific reports and/or has not carried out transactions on any bank account.

(3) The decision on voluntary liquidation of the association must be communicated in writing to the supervisory authority within 10 working days from the date of adoption.

(4) The association is liquidated by the liquidator(s) appointed by the general meeting of members, to whom all powers of day-to-day management of the association shall pass. The supervisory authority may delegate its representative to be appointed as liquidator. A person who has claims against the association may not be appointed liquidator.

(5) The assets remaining after the satisfaction of creditors' claims are distributed to the members in proportion to their membership share in accordance with the statute of the association.

(6) If at least one of the cases referred to in paragraph (2) is established and if the association has no debts to the national public budget, the supervisory authority may request the state registration body to initiate ex officio the procedure for removal of the association from the State Register of Legal Entities. After confirming that the association is not a founder of another legal

person and has no branches, the state registration body approves the decision on the initiation of the removal procedure of the association from the State Register of Legal Entities and informs the supervisory authority within 7 working days from the date of adoption of the decision.

(7) Within 15 working days from the date of receipt of the decision on the initiation of the removal procedure of the association from the State Register of Legal Entities, the supervisory authority publishes on its official website and in the Official Gazette of the Republic of Moldova a notice on the initiation of the removal procedure of the association from the State Register of Legal Entities. The notice will also contain data on the manner and deadlines for the submission of claims by the creditors of the association to be struck off the register, including by the depositors of savings or other interested persons, as well as the address where they may be submitted.

(8) Claims may be filed no later than 2 months from the date of publication of the notice in the Official Gazette of the Republic of Moldova.

(9) Within 15 working days after the expiry of the deadline for submission of claims, if there are no claims from creditors, including savings depositors or other interested persons, the supervisory authority will inform the state registration body, which shall, within 3 working days, ex officio adopt the decision on removing the association from the State Register of Legal Entities and strike it off the State Register of Legal Entities. If there are claims from creditors, including depositors of savings or other interested persons, the liquidation and removal of the association from the State Register of Legal Entities will be carried out in accordance with the general conditions provided for by civil legislation, the supervisory authority informing the state registration body, which will not be entitled to decide ex officio on the removal of the association from the State Register of Legal Entities.

(10) Upon the request of the supervisory authority, the State Tax Service will submit information on the association's lack of arrears to the national public budget.

(11) If the association, with respect to which the procedure for removal from the State Register of Legal Entities has been initiated, possesses a stamp, the internal affairs ensure, upon request from the supervisory authority, its removal and destruction.

(12) Activities carried out in accordance with paragraph (6) - (11) is exempted from any related fees and taxes.

*[Article 48 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 48 amended by Law No178 of 21.07.2017, in force as of 18.08.2017]*

*[Article 48 amended by Law No 160 of 07.07.2016, in force as of 16.09.2016]*

*[Article 48 amended by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

*[Article 48 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

## **Chapter X**

### **INFRINGEMENTS, SANCTIONS AND STABILIZATION MEASURES.**

#### **STABILIZATION FUND**

*[Name of Chap. X in the wording of Law No 214 of 20.07.2023, in force as of 03.08.2023]*

#### **Article 49. Infringements, sanctions, and stabilization measures**

(1) Infringements are considered:

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

b) violation of the licensing conditions and restrictions or the conditions and restrictions in the licensing acts stipulated by this law;

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

d) carrying out fictitious and unrecoverable operations, including for the purpose of incorrect presentation of the financial situation;

e) failure to report, late reporting, admission of breaches in the presentation of financial statements and other reports and information or submission of inaccurate/incomplete/contradictory information.

(2) If it is found that the savings and loan association, the central association and/or the administrators of the association/central association have admitted violations, the supervisory authority may impose the following sanctions:

1) written warning;

2) a fine of up to 10% of the income from the association's operational activity (which includes interest, commissions, penalties, other payments related to loans granted, as well as interest on financial investments and other operational income), achieved in the previous year, or, in case of less than 1 year of activity, of the income achieved during the period of activity, but not less than MDL 5000;

3) a fine imposed on the administrators in the amount from 1 to 10 average salaries of the sanctioned individual, 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 savings and loan association, preceding the date on which the offense was found;

b) the total period of employment in the savings and loan association preceding the date on which the offense was detected, if that period is less than 12 months;

c) the last 12 months worked in the savings and loan association, if the employment relationship was terminated before the date on which the infringement was established;

d) the total period of employment with the savings and loan association, if that period is less than 12 months and the employment relationship was terminated before the date on which the infringement was established;

4) suspension of the license;

5) withdrawal of the license;

6) withdrawal of the confirmation of the administrators;

7) placing the association under special administration in accordance with this law and with the normative acts issued by the supervisory authority in order to enforce the law.

(3) In the event of finding violations specified in paragraph (1), as well as in the event that the financial condition of the association has worsened, the supervisory authority is entitled to apply the following stabilization measures:

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

b) to prohibit engagement in a new type of activity;

c) to impose additional reporting requirements;

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

e) to prescribe the suspension or dismissal of directors and/or require the association not to pay any director or employee of the association;

f) to require the association not to set interest rates on loans and savings deposits at a level that could adversely affect the financial position of the association;

g) to prohibit the carrying on of business through certain branches and/or prohibit the establishment of branches;

h) to order reorganization by merger or demerger;

i) to order other measures.

(4) The establishment of the facts constituting violations, the application of sanctions and stabilization 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 stabilization measures or independently of them.

*[Article 49 in the wording of Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 49 paragraph (1) amended by Law No 175 of 30.06.2023, in force as of 03.07.2023]*

*[Article 49 paragraph (1) supplemented by Law No 93 of 07.04.2022, in force as of 29.05.2022]*

*[Article 49 paragraph (1) supplemented by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 49 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

*[Article 49 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

*[Article 49 amended by Law No 302-XVI of 25.12.2008, in force as of 13.02.2009]*

**Article 50. Stabilization fund**

(1) The stabilization fund is established for the purpose of providing assistance to associations in implementing stabilization measures.

(2) The associations accepting savings deposits are required to become members and to participate in the establishment of the stabilization fund.

(3) The stabilization fund is set up, managed and used by the supervisory authority in accordance with its normative acts.

(4) The financial means of the stabilization fund consist of:

- a) initial contributions of the associations;
- b) annual contributions of the associations;
- c) special contributions of the associations;
- d) income from the investment of the available resources of the stabilization fund;
- e) resources from Government, donations, grants and external financial assistance.

(5) The supervisory authority determines the conditions, amounts and deadlines for the payment of the contributions specified in paragraph (4) (a) – (c).

(6) The resources of the stabilization fund are directed to associations, under the conditions established by its normative acts, in the form of:

- a) loans;
- b) guarantees;
- c) redemption of loan claims;
- d) provision of technical and other assistance, implementation of monitoring, educational and consultancy programs aimed at preventing insolvency or reducing insolvency risks.

*[Article 50 paragraph (6) supplemented by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

**Article 50<sup>1</sup>. Special administration**

(1) Special administration is a regime of administration of the association, established by the supervisory authority in accordance with its normative acts, in order to prevent insolvency and avoid the opening of insolvency proceedings, which involves a complex of administrative, financial, legal and organizational measures aimed at preserving the value of the assets of the association, protecting the savings deposits of the members, eliminating deficiencies in the management of the association and its assets, collecting the claims and ensuring the continuity of the association's activity.

(2) The supervisory authority has the right to institute special administration if at least one of the following situations is established:

- a) there is a risk that more than 10 percent of the savings deposits of the members of the association may not be repaid on time;
- b) the association does not comply with the repeated requirements issued by the supervisory authority to eliminate the same infringements that may cause the risk of non-repayment of savings deposits of association members within the time limit;
- c) the stabilization measures applied have failed;
- d) the association's administrators systematically hinder the exercise of the supervisory authority by concealing accounts, assets, registers, reports, documents and information or by unreasonably refusing to submit them or by misrepresenting them to the supervisory authority;
- e) the administrators fail to ensure the management of the association in accordance with the requirements of the normative acts on the grounds of their resignation (of the executive director and/or board members), withdrawal of their confirmations in office or their criminal prosecution
- f) the non-compliance with the normative acts is ascertained, which may affect the fulfilment of the obligations undertaken and the interests of the members of the association.

(3) Special administration is established by the supervisory authority appointing a special administrator by reasoned decision. The persons appointed as special administrator of the

association must comply with the requirements laid down by the supervisory authority in accordance with its normative acts.

(4) Employees of the supervisory authority, of the central association, administrators of the associations, as well as other persons established in accordance with the normative acts of the supervisory authority may be appointed as special administrators.

(5) Special administration is established for a term of up to 1 year. The term of the special administration may be extended only once for a period not exceeding one year, the decision on which must contain the grounds for the extension of the term.

(6) From the date of the appointment of the special administrator, the activity of the management and control bodies of the association is suspended for the entire period of the special administration.

(7) The special administrator has all the powers of the general meeting of members and of the management bodies of the association in question. However, the special manager may exercise these powers only with the approval of the supervisory authority.

(8) The legal provisions concerning the obligation to convene a general meeting at the request of the members of the association shall not apply during the period of special administration.

(9) The special administrator has full powers to manage the association and exercises their powers in accordance with this law and the regulations of the supervisory authority, being responsible only to the supervisory authority, which has the right to issue binding provisions and recommendations in relation to his/her activity. The special administrator is not entitled to transfer the exercise of their powers to third persons without the prior written consent of the supervisory authority.

(10) The legal acts and/or actions carried out in the name and on behalf of and for the account of the association are null and void if they are carried out in breach of the provisions of this article and are not signed by the special administrator.

(11) In the exercise of their duties and rights, the special administrator is responsible for the administration of the association in accordance with the law. If the special administrator fails to comply with the provisions of the law, fails to exercise or improperly exercises their powers, the supervisory authority shall, by a reasoned decision, order their removal from office and the appointment of another special administrator.

(12) In the framework of special administration, the supervisory authority, the central association and/or the special administrator shall not be liable for damages caused in connection with the actions taken if such actions were aimed at preventing excessive risk to financial stability, protecting the interests of savers and members of the association.

(13) During the period of suspension of their powers, the administrators of the association may not receive salary payments and/or other financial benefits.

(14) The supervisory authority shall, where appropriate, require the application of precautionary measures in respect of the property and/or assets of the association, in accordance with the law.

(15) The supervisory authority determines the conditions and limits of the expenses related to the special administration of the association, which are carried out from its means, including the remuneration of the work of the special administrator.

(16) The appointed special administrator must submit to the supervisory authority information, explanations and reports in the manner determined by the supervisory authority, as well as conclusions and recommendations on the conduct of the special administration measures, including on the extension of the term/termination of the special administration and the suspension/withdrawal of the license.

(17) The termination of the special administration procedure of the association is ordered by a reasoned decision issued by the supervisory authority where, as the case may be:

a) it is established that the reasons which served as grounds for the establishment of the special administration pursuant to paragraph (2) have been removed;

b) the measures applied under special administration have not been carried out properly, within the time limits and under the conditions laid down, or their application has not, during the period for which they were taken, been conducive to the attainment of the objective pursued and the removal of the causes which gave rise to them.

(18) In the decision to terminate the special administration procedure, the supervisory authority orders, as appropriate:

- a) the revocation of the decision establishing the special administration;
- b) the filing of a petition for the insolvency of the association
- c) the compulsory winding-up of the association.

(19) By the decision to terminate the special administration procedure, the supervisory authority orders the revocation of the special administrator appointed under this law and the termination of their duties.

*[Article 50<sup>1</sup> paragraph (18) amended by Law No 174 of 11.07.2024, in force as of 02.08.2024]*

*[Article 50<sup>1</sup> introduced by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

## **Chapter XI**

### **CENTRAL ASSOCIATION**

#### **Article 51.** Purpose and principles of the central association's activity

(1) The purpose of the central association is to contribute to the sustainable development of the associations and to improve the quality of the services provided by them to their members.

(2) The principles of membership in the central association are:

a) mandatory participation in the central association of all associations holding activity licenses issued in accordance with the legislation;

b) the participation of member associations, through their representatives, in the central association's governing and control bodies;

c) holding by each member a single vote in the general meeting of the members of the central association;

d) providing services only to members.

(3) The activity of the central association is financed from the following sources:

a) membership fees;

b) income from the provision of services;

c) financial means from donations, grants and external financial assistance;

d) dividends from companies established by the central association;

e) interest and other income derived from the investment of the available funds of the central association;

f) annual financial contributions paid by members;

g) other sources of income not prohibited by law.

(4) The expenses related to the services rendered are borne by the associations on the basis of the agreement concluded with the central association.

*[Article 51 paragraph (2), (3) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 51 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

#### **Article 52.** Activity of the central association

(1) A licensed central association has the right to:

a) grant loans and loan-related services to associations;

b) accept investments from associations into the liquidity fund and to administer the fund;

c) provide assistance from the liquidity fund to associations in order to maintain their liquidity;

d) represent the interests of associations in relations with private institutions and organizations, public authorities, including courts and bailiffs, in accordance with the law and on the basis of the agreement concluded with the association;

e) organize training of the associations' staff;

- f) provide methodical assistance to associations;
- g) submit to the supervisory authority, where appropriate, proposals on the need to implement measures to stabilize the associations;
- h) invest the financial resources available;
- i) provide associations with fiduciary and intermediation services when placing their funds and reserves in various financial instruments;
- j) obtain credit resources from the financial market and international organizations;
- k) approve the Code of Good Conduct in the system of savings and loan associations and to establish single operational procedures for the conduct of the associations' business;
- l) submit proposals to the supervisory authority on the improvement of the normative acts regulating the activity of associations;
- m) carry out activities delegated by the supervisory authority on the basis of the respective agreement;
- n) carry out other activities provided for in the statutes, which do not contravene the law.

(2) In order to meet the needs of the associations system, the central association may establish companies and/or participate in their share capital on the basis of the decision of the general meeting of the members of the central association and the written consent of the supervisory authority.

(3) In carrying out the activities referred to in paragraph (1) and (2), the central association is obliged to comply with the requirements and limits set by law, including the regulations of the supervisory authority.

(4) The provisions of Article 7 paragraphs (1) and (2) apply to the central association to the extent that they do not conflict with this article.

*(Article 52 paragraph (4) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020)  
[Article 52 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

### **Article 53. Members of the central association**

(1) The association becomes a member of the central association after its application has been approved by the board of the central association and after paying the membership fee in accordance with the statutes of the central association.

(2) The records of the members of the central association are kept in the register of members kept by the board of the central association.

(3) A member of the central association is entitled:

(a) to appoint their representative for participation in the governing and supervisory bodies of the central association;

b) to benefit from loans, guarantees and other services, offered by the central association and provided for in this law and in the statute of the central association, in the manner and under the conditions laid down in the statute and in the contracts concluded with the central association;

c) to make investments in the liquidity fund;

d) to request and receive information concerning the activity of the central association, to acquaint themselves with its documents, on the basis of the provisions of the statute and the decisions concerning the confidentiality of information;

e) to enjoy other rights provided for by law and the statute.

(4) The member of the central association is bound:

a) to comply with the legislation, including the normative acts concerning the central association, its statutes, internal regulations;

b) to pay the membership fee and other financial contributions established by the statute, decisions of the central association's governing bodies, normative acts of the supervisory authority.

5) The association ceases to be a member of the central association in case of:

a) withdrawal from its membership;

b) exclusion - if the association has not commenced the activity for which it has been licensed within one year from the date of the decision on the issuance of the license, if insolvency

proceedings are instituted against the association or if the association is in the process of liquidation;

c) withdrawal of the license.

(6) The financial means of the association deposited in the central association for ensuring liquidity are returned in the manner and under the conditions laid down by the normative acts of the supervisory authority.

*[Article 53 amended by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

**Article 54.** Establishment and licensing of the central association

(1) The central association is established by the decision of the general meeting of founders.

(2) The central association is founded by at least 25 associations and is entitled to set up territorial branches for the fulfilment of its statutory tasks.

(3) The general meeting of founders:

a) decides on the establishment of the central association;

b) approves the statute of the central association;

c) elects the composition of the board and the audit committee;

d) determines the persons empowered to represent the central association at its registration;

e) settles other matters concerning the initiation of the central association's activity.

(4) The documents of establishment of the central association and the requirements for them shall be analogous to those laid down in Article 25 paragraph (4) and (5) for associations.

(5) Pursuant to this law, a single central association will be established, which will hold a license valid throughout the territory of the Republic of Moldova.

*[Article 54 paragraph (4) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 54 supplemented by Law No 216 of 23.11.2017, in force as of 15.12.2017]*

**Article 55.** Governing and supervisory bodies of the central association. Auditing

(1) The governing bodies of the central association are:

a) the general meeting of members;

b) the board;

c) the executive body.

(2) The control body of the central association is the audit committee.

(3) The powers of the general meeting, the board, the audit committee, the executive body, as well as their working procedures are analogous to those laid down in Articles 36-43 for associations, with the particularities specified in this article.

(4) The same requirements for the administrators of associations, as outlined in Article 12, apply to the administrators of the central association – representatives of associations.

(5) The board consists of 7 members elected for a period of 5 years by the general meeting of the central association from the list of candidates nominated by the associations holding the activity license. The president of the board is elected and dismissed by the board.

(6) Board members are independent in their activity, act in the interests of the central association and do not represent the interests of the persons, groups of persons or institutions that have nominated them. Each member of the board of the central association may hold an unlimited number of mandates. All members are remunerated for the performance of their duties.

(7) The board has the exclusive power to appoint the executive body on the basis of a competition, to dismiss it and to approve its rules of procedure. Decisions of the board in matters falling within its exclusive competence, in accordance with Article 40 paragraph (2), as well as those concerning the election of the president of the board, shall be taken by at least two thirds of the number of members elected/appointed to office.

(8) Administrators of associations may be members of the central association's board.

(9) Members of the audit committee may be the administrators of the member associations or other persons who meet the minimum eligibility criteria laid down by the regulatory acts of the supervisory authority.

(10) Upon the proposal of the audit committee, the general meeting approves the auditor of the central association. The same auditor may not be approved for three consecutive years.

(11) The audit firm or the individual entrepreneur auditor will carry out the audit of the central association within 4 months after the end of the financial year and submit the audit report to the governing and supervisory bodies of the central association and to the supervisory authority within 10 days from the date of its issuance.

(12) The central association will publish on its website the financial statements, the specific reports and the audit report within 10 working days from the date of preparation of those documents, which will remain available for at least 5 years from the date of their publication.

*[Article 55 paragraph (5), (8) in the wording of Law No 214 of 20.07.2023, in force as of 03.08.2023]*

*[Article 55 paragraph (4)-(9), (12) amended by Law No 259 of 23.11.2018, in force as of 01.01.2020]*

*[Article 55 supplemented by Law No 95 of 03.05.2012, in force as of 20.07.2012]*

#### **Article 56. Statute of the central association**

(1) The statute of the central association contain data analogous to those set out in Article 26 for associations, except for paragraph (1) (e), which will indicate the name of the association, its identification number, and its registered office.

(2) The statute of the central association may also include other provisions, not contrary to the law, including those concerning the relationships between the members of the central association, and between the central association and third parties.

## **Chapter XII TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 57. Transitional provisions**

(1) The licenses valid on the date of entry into force of this law remain valid until the date of expiry of their validity, provided that the activities, operations and documents of the associations comply with the provisions of this law and the normative acts of the supervisory authority within the term established by the latter by normative act, but not exceeding 12 months from the date of entry into force of this law. Associations that meet the requirements for category A licenses will operate without limitation on the basis of licenses valid on the date of entry into force of this law.

(2) Until the activity, operations and documents are brought into compliance with this law and the normative acts of the supervisory authority, the associations will operate within the current territorial limits and perform activities permitted by the valid license, namely: granting loans and accepting savings deposits.

(3) Until brought into compliance with this law, the statutes and internal regulations of the associations will be applied to the extent that they do not contravene this law.

(4) Associations are exempt from the payment of the fee for the registration of amendments to their statutes, which are required by this law.

#### **Article 58. Final provisions**

(1) This law shall enter into force on January 1, 2008, with the exception of Articles 50-56 and the provisions relating to the liquidity fund and the stabilization fund, which will be implemented 12 months after the date of entry into force of this law.

(2) The Government shall, within 6 months from the date of publication of this law:  
- submit proposals to Parliament for aligning the legislation in force with this law;  
- bring its normative acts in line with this law and adopt the normative acts necessary for its execution.

(3) As of the date of entry into force of this law, the Law No 1505-XIII of 18 February 1998, on Savings and Loan Associations of the Citizens, as amended and supplemented, is repealed.

**THE SPEAKER OF THE PARLIAMENT      Marian LUPU**

**Chisinau, 21 June 2007**

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