

**Mrs. Armine Khachatryan, IMF Resident Representative in Moldova**  
**Mrs. Ivanna Vladkova-Hollar, IMF Mission Chief for Moldova**  
**Mr. Pirkka Tapiola, Head of the EU Delegation to Moldova**  
**Mr. Alex Kremer, Country Manager for Moldova, the World Bank**  
**Mr. Petras Austrevicius, Delegation to the EU-Moldova Parliamentary Association Committee**

We, the undersigned NGOs from Romania, following with great concern the recent developments in Moldova, demand that the international partners of the country consider firm measures, including **stopping the budgetary support and all other forms of financial assistance to Moldova**, if the Parliament in Chisinau adopts the so-called law for “capital liberalization and fiscal stimulation”. We sent today a similar request to the authorities in Bucharest concerning the financial support to Moldova from Romania’s budget.

The law in question uses a deceptively reformist, pro-European label (“capital liberalization”) to conceal provisions by which:

- it facilitates the laundering of money from obscure sources or through offshore accounts (by liberalizing the capital for individuals, with the interdiction to investigate where the money comes from)
- public servants are pardoned for not having disclosed so far their interests and assets; now they can declare any amount of wealth against a penalty of just 2%
- penalties are pardoned for delayed payment of taxes, benefiting companies and individuals with economic activity, if the debts are paid.

The law was approved by Parliament in the first reading on a fast track, in just two weeks, after a mock debate with civil society and public institutions which lasted two hours, and without the legally-required approvals of the Government and of the anticorruption public institutions.

This law is a serious blow to the anticorruption efforts endorsed by the international partners of Moldova as the main condition for international budgetary support. It is a cynical lip service paid to reforms, by hiding an anti-European law under a pro-European name (“capital liberalization”) to confuse both the international partners and the Moldovan public. In addition, the unprecedented pace of approval in Parliament shows that not “political instability” is the true motive why reforms requested by international donors were carried out partially and with delays so far – but the lack of political will.

The law seriously weakens and limits the powers of public integrity institutions (the National Agency for Integrity ANI, anticorruption prosecutors’ office CNA), and impairs the ability of the National Bank and of the banking system to enforce anti-money laundering measures. The lack of transparency in the approval process, rushed on fast-forward, and the fact that the law weakens critical mechanisms of financial control look particularly suspicious given the delays in investigating and recovering the money after the billion-dollar theft of 2014. This theft took place precisely through the banking system and offshore accounts. The recovery issue has been of utmost importance in formulating conditionality for international budgetary support. **Under these circumstances, in which corruption and money laundering are given free rein by the new law, financing Moldova with public money from European and international taxpayers is unacceptable.**

European and international taxpayers need to be informed whether their money will be used – or have been used so far – for reforms benefiting the Moldovan citizens, or just to compensate for the money wasted through corruption and organized crime.

*Bucharest, December 20, 2016*

**Expert Forum (EFOR)**  
**Romanian Center for European Policies (CRPE)**  
**Freedom House Romania**  
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