



# ICLG

The International Comparative Legal Guide to:

# Oil & Gas Regulation 2018

**13th Edition**

A practical cross-border insight into oil and gas regulation work

Published by Global Legal Group, in association with Ashurst LLP, with contributions from:

Advokatfirmaet Simonsen Vogt Wiig AS

ALC Advogados

Ashurst LLP

Blake, Cassels & Graydon LLP

Bowmans

Dentons

Estudio Randle

Gjika & Associates Attorneys at Law

Henriques, Rocha & Associados

Jeanet

KLC Law Firm

Morais Leitão, Galvão Teles, Soares da Silva & Associados

Moravčević, Vojnović and Partners in cooperation with Schoenherr

Pachiu & Associates

Project Lawyers

Rodríguez Dávalos Abogados (Consultores en Energía RDA, S.C.)

Rolim, Viotti & Leite Campos Advogados

Schoenherr

SSEK Legal Consultants

Stone Pigman Walther Wittmann PLLC

Torres, Plaz & Araujo

Türkoğlu & Çelepçi in cooperation with Schoenherr

Ughi e Nunziante – Studio Legale

Windahl Sandroos & Co.



**Contributing Editors**  
Philip Thomson & Julia Derrick, Ashurst LLP

**Sales Director**  
Florjan Osmani

**Account Director**  
Oliver Smith

**Sales Support Manager**  
Toni Hayward

**Sub Editor**  
Oliver Chang

**Senior Editors**  
Suzie Levy  
Caroline Collingwood

**Chief Operating Officer**  
Dror Levy

**Group Consulting Editor**  
Alan Falach

**Publisher**  
Rory Smith

**Published by**  
Global Legal Group Ltd.  
59 Tanner Street  
London SE1 3PL, UK  
Tel: +44 20 7367 0720  
Fax: +44 20 7407 5255  
Email: info@glgroup.co.uk  
URL: www.glgroup.co.uk

**GLG Cover Design**  
F&F Studio Design

**GLG Cover Image Source**  
iStockphoto

**Printed by**  
Ashford Colour Press Ltd  
February 2018

Copyright © 2018  
Global Legal Group Ltd.  
All rights reserved  
No photocopying

ISBN 978-1-911367-96-3  
ISSN 2051-3348

**Strategic Partners**



**General Chapters:**

1	<b>LNG Pricing Disputes: The Lessons From Europe</b> – Matthew Saunders & Ronnie King, Ashurst LLP	1
2	<b>Developments in the North American Oil and Gas Sector</b> – John P. Cogan, Jr. & Carlos Morán, Stone Pigman Walther Wittmann PLLC	5

**Country Question and Answer Chapters:**

3	<b>Albania</b>	Gjika & Associates Attorneys at Law: Gjergji Gjika & Lareda Zenunaj	11
4	<b>Angola</b>	ALC Advogados: Irina Neves Ferreira & Sofia Cerqueira Serra	20
5	<b>Argentina</b>	Estudio Randle / Stone Pigman Walther Wittmann PLLC: Ignacio J. Randle & Carlos Morán	29
6	<b>Austria</b>	Schoenherr: Bernd Rajal & Dagmar Hozová	41
7	<b>Brazil</b>	Rolim, Viotti & Leite Campos Advogados: Luis Gustavo Miranda & Paulo Teixeira Fernandes	52
8	<b>Canada</b>	Blake, Cassels & Graydon LLP: Kevin Kerr & Christine Yick	61
9	<b>Croatia</b>	Schoenherr: Bernd Rajal & Petra Šantić	73
10	<b>Denmark</b>	Windahl Sandroos & Co.: Bo Sandroos	90
11	<b>France</b>	Jeanetet: Thierry Lauriol & Constance Guyot	99
12	<b>Gabon</b>	Project Lawyers: Jean-Pierre Bozec	120
13	<b>Greece</b>	KLC Law Firm: Dr. Vassilis Karagiannis	129
14	<b>Greenland</b>	Windahl Sandroos & Co.: Bo Sandroos	137
15	<b>Indonesia</b>	SSEK Legal Consultants: Fitriana Mahiddin & Syahdan Z. Aziz	144
16	<b>Italy</b>	Ughi e Nunziante – Studio Legale: Fiorella F. Alvino & Giovanna Branca	153
17	<b>Mexico</b>	Rodríguez Dávalos Abogados (Consultores en Energía RDA, S.C.): Jesús Rodríguez Dávalos & Raúl Fernando Romero Fernández	165
18	<b>Moldova</b>	Schoenherr: Andrian Guzun & Bernd Rajal	174
19	<b>Mozambique</b>	Henriques, Rocha & Associados: Paula Duarte Rocha & Tiago Arouca Mendes	184
20	<b>Norway</b>	Advokatfirmaet Simonsen Vogt Wiig AS: Bjørn-Erik Leerberg & Frode Vareberg	195
21	<b>Portugal</b>	Morais Leitão, Galvão Teles, Soares da Silva & Associados: Tomás Vaz Pinto & Cláudia Santos Cruz	205
22	<b>Romania</b>	Pachiu & Associates: Raluca Mustaciosu & Vladimir Plugarescu	213
23	<b>Serbia</b>	Moravčević, Vojnović and Partners in cooperation with Schoenherr: Miloš Laković & Aleksandra Petrović	226
24	<b>South Africa</b>	Bowmans: David Forfar & Luke Havemann	236
25	<b>Turkey</b>	Türkoğlu & Çelepçi in cooperation with Schoenherr: Levent Çelepçi & Murat Kutluğ	245
26	<b>United Arab Emirates</b>	Dentons: Mhairi Main Garcia	253
27	<b>United Kingdom</b>	Ashurst LLP: Philip Thomson & Julia Derrick	264
28	<b>USA</b>	Stone Pigman Walther Wittmann PLLC: John P. Cogan, Jr. & James A. Cogan	284
29	<b>Venezuela</b>	Torres, Plaz & Araujo: Juan Carlos Garantón-Blanco & Valentina Cabrera Medina	296

Further copies of this book and others in the series can be ordered from the publisher. Please call +44 20 7367 0720

**Disclaimer**

This publication is for general information purposes only. It does not purport to provide comprehensive full legal or other advice. Global Legal Group Ltd. and the contributors accept no responsibility for losses that may arise from reliance upon information contained in this publication. This publication is intended to give an indication of legal issues upon which you may need advice. Full legal advice should be taken from a qualified professional when dealing with specific situations.

# Moldova



Andrian Guzun



Bernd Rajal

Schoenherr

## 1 Overview of Natural Gas Sector

### 1.1 A brief outline of your jurisdiction's natural gas sector, including a general description of: natural gas reserves; natural gas production including the extent to which production is associated or non-associated natural gas; import and export of natural gas, including liquefied natural gas (LNG) liquefaction and export facilities, and/or receiving and re-gasification facilities ("LNG facilities"); natural gas pipeline transportation and distribution/transmission network; natural gas storage; and commodity sales and trading.

In 2016, natural gas for the Moldovan market was predominantly acquired from the Russian company P.A.O. Gazprom (*Gazprom*) – 1,037.2 million cubic metres out of a total volume of 1,038.4 million cubic metres. Also, 1.2 million cubic metres of natural gas have been acquired from the Romanian company OMV Petrom S.A. The local production of natural gas was insignificant – only 0.1 million cubic metres (from Cantemir county, in the southern part of the Republic of Moldova (*Moldova*)) ([http://anre.md/files/raport/Raport%20anual%20de%20activitate\\_2016.pdf](http://anre.md/files/raport/Raport%20anual%20de%20activitate_2016.pdf)).

Pursuant to the data published by the National Agency for Energy Regulation (*NARE*) (<http://anre.md/ro/content/lista-titularilor-de-licen%C5%A3%C4%83>), NARE issued two licences for the transportation of natural gas, 13 licences for the supply of natural gas at regulated tariffs, 25 licences for the distribution of natural gas, six licences for the supply of natural gas at non-regulated tariffs (by means of compressed natural gas stations) and two licences for the supply of natural gas at non-regulated tariffs (by means of the gas network).

The main player on the Moldovan natural gas market is Moldovagaz S.A. (*MG*): an entity under the ownership of Gazprom (50%), Moldova (35.33%), the Committee of Management of the Property of Transnistria (13.44%) and its staff (1.23%); and a supplier of natural gas, which *inter alia*:

- concluded the agreement with Gazprom on the supply of natural gas (i.e. for the entire volume of imported natural gas of 1,037.2 million cubic metres (more than 99.8% of the entire volume of acquired natural gas));
- is the founder (sole shareholder) of 12 main natural gas distribution system operators (*DSOs*). Pursuant to the reports of the DSOs, the total length of the natural gas network of such operators is 21,750.50 km ([http://anre.md/files/raport/Raport%20anual%20de%20activitate\\_2016.pdf](http://anre.md/files/raport/Raport%20anual%20de%20activitate_2016.pdf)); and
- is the founder (sole shareholder) of Moldovatrangaz SRL (*MTG*) – the main Moldovan transport system operator (*TSO*), which, *inter alia*, ensures the transit of gas on Moldova's

territory through trunk pipelines to the underground storage facility in Bohorodchany (Ukraine) and the Balkan region. The activity of the transportation of natural gas of MTG is performed through its transmission network (including magistral pipelines, with a total length of 656.25 km, and pipeline branches, with a total length of 903.42 km) (<http://www.moldovatrangaz.md/menu/ru/transportation-services/technical-and-economic-indicators>).

The Government of Moldova (*GoM*) is aware of the fact that in order to ensure a secured supply of natural gas, it has to take certain measures: diversification of the supply sources (including identification of local sources); implementation of LNG-related projects; and building of natural gas storage facilities (Government Decision no. 102 dated 5 February 2013 “On the Energy Strategy of the Republic of Moldova until 2030”).

In this context, in 2014, a new TSO was established: I.S. Vestmoldtransgaz (*VMTG*), a state-owned company which is to operate the Iasi (Romania) – Ungheni (Moldova) gas interconnector (with a total length of 43.2 km) and the projected Ungheni–Chisinau natural gas pipeline. On 27 October 2017, VMTG was put on sale by the Moldovan Public Property Agency. The tender book (with regard to such sale) provides for the obligation of the potential buyer to invest up to EUR 93 million in the first two years after the acquisition (Official Gazette of the Republic of Moldova no. 371-382 dated 27 October 2017).

Further, on 30 December 2016, the GoM issued a decision approving the results of a tender on selection of an entity, which is to perform works on the geological exploration of hydrocarbons on the territory of Moldova. Frontera Resources International LLC was designated as the winner of such tender: it obtained the right to perform such works on geological exploration; and the right of further exploitation (Government Decision no. 1439 dated 30 December 2016) (pursuant to certain sources, on a territory of *cca.* 12,000 km<sup>2</sup>).

We are not aware of any current LNG-related projects in place in Moldova; LNG is currently not traded in Moldova. Also, there are no (underground) storages of natural gas on the territory of Moldova (<http://www.infoeuropa.md/files/analiza-tematica-privind-prevederile-acordului-de-asociere-rm-ue-in-sectorul-energetic-gaze-naturale-si-energie-electrica.pdf>).

### 1.2 To what extent are your jurisdiction's energy requirements met using natural gas (including LNG)?

In 2016, the total gross consumption of energy in Moldova was 2,796 Mtoe, out of which the consumption of natural gas constituted 838 Mtoe (*cca.* 30%), coal constituted 75 Mtoe (*cca.* 2.6%), petroleum products constituted 895 Mtoe (*cca.* 32%), bio-fuel and waste

constituted 698 Mtoe (cca. 25%), and electric energy constituted 290 Mtoe (cca. 10.4%) ([http://www.statistica.md/public/files/publicatii\\_electronice/balanta\\_energetica/BE\\_2017\\_rom.pdf](http://www.statistica.md/public/files/publicatii_electronice/balanta_energetica/BE_2017_rom.pdf)).

Although the total gross consumption of energy in Moldova increased during the period 2010–2016 (2,633 Mtoe in 2010, 2,643 Mtoe in 2013 and 2,796 Mtoe in 2016), the share of natural gas in such consumption continuously decreased (cca. 36.5% in 2010, cca. 31.5% in 2013 and cca. 29.9% in 2016).

### 1.3 To what extent are your jurisdiction's natural gas requirements met through domestic natural gas production?

Pursuant to the Energy Balance of Moldova for 2016, the entire volume of 838 Mtoe of natural gas consumed in Moldova was imported ([http://www.statistica.md/public/files/publicatii\\_electronice/balanta\\_energetica/BE\\_2017\\_rom.pdf](http://www.statistica.md/public/files/publicatii_electronice/balanta_energetica/BE_2017_rom.pdf)).

The Activity Report of NARE for 2016 indicates that cca. 0.1 million cubic metres of natural gas represents the volume of natural gas produced in Moldova (from Cantemir county, in the southern part of Moldova) ([http://anre.md/files/raport/Raport%20anual%20de%20activitate\\_2016.pdf](http://anre.md/files/raport/Raport%20anual%20de%20activitate_2016.pdf)).

### 1.4 To what extent is your jurisdiction's natural gas production exported (pipeline or LNG)?

Moldova does not export natural gas.

## 2 Overview of Oil Sector

### 2.1 Please provide a brief outline of your jurisdiction's oil sector.

Pursuant to the Activity Report of NARE for 2016 ([http://anre.md/files/raport/Raport%20anual%20de%20activitate\\_2016.pdf](http://anre.md/files/raport/Raport%20anual%20de%20activitate_2016.pdf)), the consumption of oil products in Moldova is mainly ensured by imported petroleum products. In particular, the volume of imported main petroleum products in 2016 constituted cca. 542,523 to 788,908 tons of Diesel, cca. 169,418 tons of Gasoline and cca. 76,967 tons of Liquefied Petroleum Gas (LPG).

The main supplier of petroleum products to Moldova is Romania (with a share of 89.1% for Diesel and 70.4% for Gasoline). Other suppliers of petroleum products worth mentioning are the Russian Federation (16.4% for Diesel), Belarus (6.7% for Gasoline and 4.7% for Diesel), Bulgaria (4.3% for Diesel), Lithuania (2.9% for Diesel and 2.9% for Gasoline) and Israel (1.1% for Diesel). The LPG is mainly imported from the following countries: the Russian Federation (55.6%); Romania (34%); Kazakhstan (7.8%); and Belarus (2%).

Further, pursuant to the Energy Balance of Moldova for 2016, a volume of only 7 Mtoe of petroleum products is ensured by means of primary production.

Pursuant to the data published by NARE (<http://anre.md/ro/content/titulari-de-licen%C5%A3%C4%83-0>), 33 licences have been issued for the import and wholesale of Diesel and Gasoline, 11 licences for the import and wholesale of LPG, 86 licences for the retail of Diesel and Gasoline by means of fuel stations, and 75 licences for the retail of LPG by means of fuel stations.

### 2.2 To what extent are your jurisdiction's energy requirements met using oil?

In 2016, the total gross consumption of energy in Moldova was

2,796 Mtoe, out of which the consumption of petroleum products constituted 895 Mtoe (cca. 32%) ([http://www.statistica.md/public/files/publicatii\\_electronice/balanta\\_energetica/BE\\_2017\\_rom.pdf](http://www.statistica.md/public/files/publicatii_electronice/balanta_energetica/BE_2017_rom.pdf)).

The volume of petroleum products consumed in Moldova, as well as the share of petroleum products in the total gross consumption of energy in Moldova, have continuously increased during the period 2010–2016 (776 Mtoe (cca. 29.4%) in 2010, 785 Mtoe (cca. 29.7%) in 2013 and 896 Mtoe (cca. 32%) in 2016).

### 2.3 To what extent are your jurisdiction's oil requirements met through domestic oil production?

Pursuant to the Energy Balance of Moldova for 2016 ([http://www.statistica.md/public/files/publicatii\\_electronice/balanta\\_energetica/BE\\_2017\\_rom.pdf](http://www.statistica.md/public/files/publicatii_electronice/balanta_energetica/BE_2017_rom.pdf)), in 2016, 920 Mtoe of petroleum products have been imported, whereas the volume of petroleum products primarily produced in Moldova was only 7 Mtoe.

### 2.4 To what extent is your jurisdiction's oil production exported?

Pursuant to the Energy Balance of Moldova for 2016 ([http://www.statistica.md/public/files/publicatii\\_electronice/balanta\\_energetica/BE\\_2017\\_rom.pdf](http://www.statistica.md/public/files/publicatii_electronice/balanta_energetica/BE_2017_rom.pdf)), in 2016, the volume of exported petroleum products was 15 Mtoe.

## 3 Development of Oil and Natural Gas

### 3.1 Outline broadly the legal/statutory and organisational framework for the exploration and production ("development") of oil and natural gas reserves including: principal legislation; in whom the State's mineral rights to oil and natural gas are vested; Government authority or authorities responsible for the regulation of oil and natural gas development; and current major initiatives or policies of the Government (if any) in relation to oil and natural gas development.

The main legal framework in the domain of exploration and extraction of natural resources, including oil and natural gas, on the territory of Moldova is constituted of Natural Resources Code no. 3 dated 2 February 2009 (*Ro. Codul Subsolului*) (CS), Law of the Republic of Moldova no. 534 dated 13 July 1995 "On Concessions" (*Ro. Legea cu privire la concesiuni*) (*Concessions Law*) and Law of the Republic of Moldova no. 179 dated 10 July 2008 "On Public-Private Partnerships" (*Ro. Legea cu privire la parteneriatul public-privat*) (*PPP Law*). Certain rules with regard to the production of natural gas are stipulated by Natural Gas Law no. 108 dated 27 May 2016 (*Natural Gas Law*).

The most important rules and principles on the exploration and extraction of natural resources, including oil and natural gas, on the territory of Moldova are, as follows:

- all the subsoil resources (including oil and natural gas) constitute the public property of the state;
- the subsoil sectors cannot be alienated – only transferred into use;
- the period of extraction of subsoil resources depends on the period of operation of the mine field, in accordance with the approved technological documentation;
- generally, a right of use over a sector of subsoil (including for the exploration and extraction of oil and/or natural gas) appears on the basis of:

- a decision of the GoM, as result of the tender for the exploration and extraction of mineral resources; and
  - a concession agreement;
- (e) the concession agreement is concluded between the user (investor) and the Ministry of Agriculture, Regional Development and Environment (*MARDE*), and contains the conditions of use of the conceded subsoil sectors;
- (f) the activity of producing natural gas requires a licence issued by NARE; and
- (g) certain other rules may apply, depending on the concrete circumstances of the project (e.g. rules on the authorisation of the construction works, rules on the industrial security of the dangerous industrial objects, etc.).

---

### 3.2 How are the State's mineral rights to develop oil and natural gas reserves transferred to investors or companies ("participants") (e.g. licence, concession, service contract, contractual rights under Production Sharing Agreement?) and what is the legal status of those rights or interests under domestic law?

---

The procedure of transfer (from the state to the user (investor)) of the right of possession and use over a sector of subsoil (including when it comes to the right of exploration and extraction of natural resources) implies the following general steps:

- (a) the GoM prepares the list of goods to be conceded;
- (b) the GoM publishes, with the Official Gazette of Moldova, the information with regard to the goods to be conceded and the tender conditions;
- (c) the results of the tender are approved by means of a decision of the GoM; and
- (d) the conclusion (between the user (investor) and *MARDE* is that of a concession agreement) of the concession agreement (i.e. the user (investor) obtains the right of possession and use over the sector of subsoil, whereas the owner (state) keeps the right of disposition). Pursuant to the PPP Law, the concession agreement is a form of public-private partnership. A concession agreement cannot be concluded for more than 50 years. In case of concession of the right to extract natural resources, the retribution for such extraction is made in the form of periodical payments (a share from the volume of production/sales).

The Concessions Law expressly stipulates that the state guarantees the protection of the investments of the user (investor); it cannot interfere with the user's (the investor's) business activity, unless such activity violates the provisions of the applicable legislation.

---

### 3.3 If different authorisations are issued in respect of different stages of development (e.g., exploration appraisal or production arrangements), please specify those authorisations and briefly summarise the most important (standard) terms (such as term/duration, scope of rights, expenditure obligations).

---

For the purpose of conclusion of the concession agreement, the potential user (investor) is to file with *MARDE* the information on its financial means, special technological equipment and staff, which are necessary for the respective type of works in the subsoil sector.

Further, the investor's activity in the subsoil sector requires a list of permits (issuable by the Moldovan authorities). A general (non-exhaustive) list of such permits is indicated below:

- (a) the licence for the production of natural gas (issuing authority: NARE, validity term: 25 years, state fee: Moldovan Lei (*MDL*) 3,250 (cca. EUR 160));
- (b) the act on the confirmation of the geologic limits (*Ro. perimetru geologic*) (issuing authority: the Agency for Geology and Natural Resources, validity term: five years, state fee: free of charge);
- (c) the conclusion of the state ecology expertise (issuing authority: the Environment Agency (*EA*), validity term: the period of implementation of the project, state fee: free of charge);
- (d) the environment permit (as result of the environmental impact assessment) (issuing authority: *EA*, validity term: four years, state fee: free of charge);
- (e) the urbanism certificate for projection of works of public utility of national interest (issuing authority: the Ministry of Economy and Infrastructure (*MoEI*), validity term: 24 months, state fee: free of charge);
- (f) the construction authorisation(s) for works of public utility of national interest (issuing authority: *MoEI*, validity term: for the period of the construction works, state fee: free of charge);
- (g) the positive conclusion of the expertise in the domain of industrial security (issuing entity: an authorised expertise entity, validity term: five years, fee: depends on the complexity of the activity, equipment, etc.); and
- (h) the sanitary authorisation for the functioning of the facility (issuing authority: the National Agency for Public Health, validity term: five years, state fee: free of charge).

---

### 3.4 To what extent, if any, does the State have an ownership interest, or seek to participate, in the development of oil and natural gas reserves (whether as a matter of law or policy)?

---

Moldovan legislation neither contains a prohibition on the incorporation by the Moldovan state (as the owner of the subsoil resources), through the Moldovan authorities, of entities exploring and/or extracting oil and natural gas, or on the participation of the state with the share capital of such entities, nor does it provide for a mandatory participation of the state with the share capital of the entities exploring and/or extracting oil and natural gas.

From the currently available information, the GoM issued, on 30 December 2016, a decision on the approval of the results of a tender on the selection of *Frontera Resources International LLC* to perform works on geological exploration of hydrocarbons on the territory of Moldova. Pursuant to Decisions of the GoM no. 895 dated 20 July 2016 and no. 1439 dated 30 December 2016, the works of exploration and potential exploitation (extraction) of hydrocarbons on the territory of Moldova are conceded to the investor on the basis of a concession agreement, the state being entitled to receive a share from the volume of production/sales. We are not aware of any participation of the state with *Frontera Resources International LLC*, or with another entity performing works of exploration and potential exploitation (extraction) of hydrocarbons on the territory of Moldova.

---

### 3.5 How does the State derive value from oil and natural gas development (e.g. royalty, share of production, taxes)?

---

The exercise of certain activities in connection with oil and natural gas development (production) is done against payment of consideration. In particular, the following types of fees/taxes can be distinguished:

- (a) statutory taxes for certain activities, provided by the Tax Code of Moldova;

- 2% of the contractual value of the works – for geological prospecting activities;
  - 5% of the contractual value of the works – for geological exploration activities; and
  - 20% of the value of the extracted resources – for extraction of natural gas and oil;
- (b) the retribution provided by the concession agreement, in the form of periodical payments (a share from the volume of production/sales) – for extraction of natural resources (including natural gas and oil). Generally, the amount of the retribution (calculation formula) is indicated in the investor's offer (bid) for participation with the tender, organised in respect of the conceded goods; and
- (c) fees in connection with the issuance of certain types of permits (licence, authorisations and certificates).

### 3.6 Are there any restrictions on the export of production?

Moldovan legislation does not provide for specific restrictions on the export of oil (petroleum products) or natural gas, except for crises or emergency situations (in respect of the natural gas).

### 3.7 Are there any currency exchange restrictions, or restrictions on the transfer of funds derived from production out of the jurisdiction?

Pursuant to Law no. 62 dated 21 March 2008 “On Foreign Exchange Regulation”, the payments and transfers within the current monetary (currency) transactions (*Ro. operatiuni valutare curente*) between residents and non-residents are generally performed without restrictions. In this context, the law provides for a list of transactions qualified as current monetary (currency) transactions (*Ro. operatiuni valutare curente*), including the transactions performed within the international trade of goods with an initial repayment term of one year.

On the other hand, Law no. 1466 dated 29 January 1998 “On the Regulation of the Repatriation of Money, Goods and Services Derived from Foreign Economic Transactions” provides for the local (Moldovan) entity's obligation to register with its local bank account the financial means derived from the export of goods abroad within two years, calculated as of the date of shipment of the respective goods. There is a risk of application of a fine (of 0.1% of the amount of non-repatriated funds for each calendar day of delay (but not more than 40% of the amount of non-repatriated funds)) in case of the local entity's failure to repatriate the financial means derived from the export of goods abroad within the indicated statutory period.

### 3.8 What restrictions (if any) apply to the transfer or disposal of oil and natural gas development rights or interests?

Except for cases involving the reorganisation of the entity, the transfer, partially or entirely, to a third party of the conceded goods (rights or interests) is prohibited. None of the permits (licence, certificates and authorisations) issued for the purpose of the exploration and exploitation (extraction) of natural resources (including natural gas and oil) can be transmitted to a third party.

### 3.9 Are participants obliged to provide any security or guarantees in relation to oil and natural gas development?

Both the tender conditions and the concession agreement may

contain an obligation for the investor (private partner) to provide guarantee(s) in connection with its offer (bid) and/or for the execution of its rights under the respective agreement.

### 3.10 Can rights to develop oil and natural gas reserves granted to a participant be pledged for security, or booked for accounting purposes under domestic law?

The PPP Law admits the possibility of the investor (private partner) pledging the object of the public-private partnership (including rights to explore and extract natural resources (including natural gas and oil)), under the condition of procuring the public partner's (state authority's) consent. Such provisions are, however, in conflict with the provisions of the Concessions Law (as indicated at question 3.8 above), pursuant to which the transfer to a third party of the conceded goods (rights or interests) is prohibited (the pledge of certain rights (having as potential effect the transfer of such rights to a third party) is also prohibited).

### 3.11 In addition to those rights/authorisations required to explore for and produce oil and natural gas, what other principal Government authorisations are required to develop oil and natural gas reserves (e.g. environmental, occupational health and safety) and from whom are these authorisations to be obtained?

A general (non-exhaustive) list of permits (issuable by the Moldovan authorities for the investor's activity on the subsoil sector) is indicated at question 3.3 above.

### 3.12 Is there any legislation or framework relating to the abandonment or decommissioning of physical structures used in oil and natural gas development? If so, what are the principal features/requirements of the legislation?

The CS provides for the obligation of the user (investor) to liquidate the mining works, facilities and structures which are not intended to be further used. Moreover, the beneficiary of the subsoil sector (investor) is to create a fund for the liquidation of such mining works, facilities and structures, as well as for the rehabilitation of the degraded plots of land. The size of such fund depends on the concrete project.

### 3.13 Is there any legislation or framework relating to gas storage? If so, what are the principal features/requirements of the legislation?

The Natural Gas Law is the primary legislation regulating the activity of natural gas storage. Such activity is performed on the basis of a licence, issued by NARE for a period of 25 years. The number of such licences is not limited. From the currently available information, there are no licences issued by NARE for the activity of storage of natural gas.

The natural gas storage operator (*SO*), which is a part of a vertically integrated undertaking (*VIU*), is to be independent from other activities which are not connected with the activity of natural gas storage. In order to ensure the independence of the *SO*, the following minimum requirements are to be met:

- (a) management separation, meaning that those persons responsible for the management of the *SO* may not participate in company structures of the *VIU* responsible, directly or indirectly, for the day-to-day operation of the production and supply of natural gas;

- (b) appropriate measures must be taken to ensure that the professional interests of persons responsible for the management of the SO are taken into account in a manner that ensures that they are capable of acting independently; and
- (c) the SO must have effective decision-making rights, independent from other parts of the VIU, with respect to assets necessary to operate, maintain or develop the natural gas storage.

Access to the storage and pipeline storage is to be granted to all the existing and potential users in a transparent, objective and non-discriminatory manner. In order to ensure the supply of natural gas to consumers and to organise access to ancillary services, access to the gas storage facilities is granted on the basis of the tariffs established in accordance with the methodology approved by NARE.

The SO has the obligation to publish on its electronic page the information required for ensuring efficient access to the gas storage operated by such SO.

## 4 Import / Export of Natural Gas (including LNG)

### 4.1 Outline any regulatory requirements, or specific terms, limitations or rules applying in respect of cross-border sales or deliveries of natural gas (including LNG).

Pursuant to the Natural Gas Law, transactions involving sale-purchase of natural gas, including import or export transactions, transactions involving sale-purchase of interconnection capacities, and of other ancillary products, where the producers, TSOs, DSOs, SOs and suppliers participate, are performed on the natural gas wholesale market.

On the natural gas wholesale market, sale-purchase transactions are performed on the basis of bilateral agreements, taking into account the offer and demand, as a result of competitive mechanisms or negotiations. All the natural gas market participants are entitled to engage in bilateral transactions, including bilateral transactions of export or import of natural gas.

Sale-purchase transactions of natural gas on the natural gas wholesale market are to be conducted in a transparent, public and non-discriminatory manner.

## 5 Import / Export of Oil

### 5.1 Outline any regulatory requirements, or specific terms, limitations or rules applying in respect of cross-border sales or deliveries of oil and oil products.

Pursuant to Law of the Republic of Moldova no. 451 dated 30 July 2001 “On the Petroleum Products Market” (*Ro. Legea privind piata produselor petroliere*) (*Petroleum Products Market Law*), the import of petroleum products is performed on the basis of a licence, issued by NARE for a period of five years. In order to ensure the energy security of the country, certain special requirements are imposed to the importers of petroleum products:

- (a) holding of Gasoline/Diesel storage with a capacity of at least 5,000 cubic metres and a capital of at least MDL 8 million (*cca.* EUR 400,000) – for the importers of Gasoline and/or Diesel; and
- (b) holding of LPG storage with a capacity of at least 150 cubic metres – for the importers of LPG.

Farmers are exempted (in certain conditions) from the requirement to hold a licence for the import of petroleum products (Diesel). They are, however, required to request an authorisation from NARE.

The export (re-export) of petroleum products can be performed only by the importers of petroleum products (i.e. by entities holding licences for the import of petroleum products) and on the basis of an authorisation granted by NARE.

## 6 Transportation

### 6.1 Outline broadly the ownership, organisational and regulatory framework in relation to transportation pipelines and associated infrastructure (such as natural gas processing and storage facilities).

Law of the Republic of Moldova no. 592 dated 26 September 1995 “On the Magistral Pipeline Transportation” (*Ro. Legea privind transportul prin conducte magistrale*) (*Law 592/1995*) stipulates that the transportation pipelines may be owned either by private entities or by the state. However, the plots of land on which such pipelines are located are owned by the state and transferred into the use of the private entities (TSOs). There are no specific limitations when it comes to financing the construction of transportation pipelines, including of state importance. The sources of financing can be either the state budget, the funds of the pipelines transport operators, bank credits and loans.

Generally, agricultural plots of land with low quality (*Ro. bonitate scazuta*) or plots of land which are not suitable for agricultural purposes are used for the construction of transportation pipelines. Agricultural plots of land of high quality are used for the construction of transportation pipelines in exceptional cases and only on the basis of a decision of the GoM. The expropriation of the plots of land (if needed) and the change of destination of such plots of land which are to be used for the construction of transportation pipelines are also performed on the basis of decisions of the GoM.

Apart from those indicated above, the Natural Gas Law contains certain conditions for the exercising (including of the TSOs) of the right of use by the system operators over the privately owned plots of land for execution of works which are necessary, *inter alia*, for the construction, rehabilitation and modernisation of the network (e.g. consent, prior notification and obligations).

### 6.2 What governmental authorisations (including any applicable environmental authorisations) are required to construct and operate oil and natural gas transportation pipelines and associated infrastructure?

Law 592/1995 requires that the construction of the transportation pipelines is to be ensured by specialised construction organisations. Such organisations are responsible for the compliance of the construction works with the applicable legislation, are liable for the damages caused during the construction works (including compensation of the rehabilitation of the land), and obliged to correct the defects detected at the constructed pipeline during the first three years of exploitation.

Given the impact of a potential project involving the construction of transportation pipelines, and depending on the concrete circumstances of such project, certain permits (certificates and authorisations) are required (including the conclusion of the state ecology expertise, the environment permit (as a result of the environmental impact assessment), the urbanism certificate for projection of works of public utility of national interest, the construction authorisation(s), the positive conclusion of the expertise in the domain of industrial security, and the sanitary authorisation).

**6.3 In general, how does an entity obtain the necessary land (or other) rights to construct oil and natural gas transportation pipelines or associated infrastructure? Do Government authorities have any powers of compulsory acquisition to facilitate land access?**

As indicated at question 6.1 above, the plots of land on which such pipelines are located are owned by the state and transferred into the use of the private entities (TSOs) – the Natural Gas Law indicates that such transfer into use (for the purposes of the construction, maintenance, exploitation, rehabilitation and modernisation of the natural gas transportation and distribution networks) is performed on a free-of-charge basis.

The privately owned plots of land needed for the construction of transportation pipelines can be expropriated by the GoM, if the respective construction works are to be considered of public utility (*Ro. cauza de utilitate publica*), and under the condition of payment to the expropriated owner of compensation.

Also, as indicated at question 6.1 above, the Natural Gas Law provides for a right of access by the system operators (including of the TSOs) through privately owned plots of land for the purpose of execution of works which are necessary, *inter alia*, for the construction, rehabilitation and modernisation of the network (consent, prior notification and obligations).

**6.4 How is access to oil and natural gas transportation pipelines and associated infrastructure organised?**

The TSO is obliged to grant to existing/potential users access to the natural gas transportation network in a transparent, objective and non-discriminatory manner, on the basis of an agreement, and at tariffs established in accordance with the methodology approved by NARE. The TSO has the obligation to publish on its electronic page the information necessary for ensuring efficient access to the gas transportation network operated by such TSO.

**6.5 To what degree are oil and natural gas transportation pipelines integrated or interconnected, and how is co-operation between different transportation systems established and regulated?**

Pursuant to the Natural Gas Law, in order to execute its duties, including with regard to the trans-border transportation of natural gas, the TSO is to cooperate with the TSOs from neighbouring countries, in conformity with the agreements concluded with such operators.

Also, the individuals/legal entities are generally entitled to request the connection of their use/production/storage facility to the transportation network of the TSO performing the activity within the territory indicated in its licence.

**6.6 Outline any third-party access regime/rights in respect of oil and natural gas transportation and associated infrastructure. For example, can the regulator or a new customer wishing to transport oil or natural gas compel or require the operator/owner of an oil or natural gas transportation pipeline or associated infrastructure to grant capacity or expand its facilities in order to accommodate the new customer? If so, how are the costs (including costs of interconnection, capacity reservation or facility expansions) allocated?**

As indicated at questions 6.4 and 6.5 above, the TSO is obliged to grant to existing/potential users access to the natural gas transportation

network in a transparent, objective and non-discriminatory manner. In order to manage access of third parties to the gas transportation system, the TSO is under obligation to keep an electronic register indicating the information with regard to each access point, including the identity of the third party, the existing supplier, the address of the consumption point, the contracted flow, the connection point, the delimitation point, the pressure in the delimitation point, and the characteristics of the measurement equipment.

Access to the natural gas transportation network can be generally refused (a) in case of absence of system capacity, (b) in case the granting of access would prevent the TSO from executing its public service obligations, or (c) in case serious economic and financial difficulties incurred due to the “take or pay” obligations.

The TSO refusing access to the system due to absence of capacity is obliged to take the necessary measures to ensure access of the third party to the system, under the condition that (a) such measures are economically justifiable, or (b) when the third party requesting access is ready to bear the costs in connection with such necessary measures.

The TSO is obliged to inform NARE on each and any case of congestion and of refusal of access to the natural gas transportation system, as well as on the measures which are intended to be taken to resolve such situations.

**6.7 Are parties free to agree the terms upon which oil or natural gas is to be transported or are the terms (including costs/tariffs which may be charged) regulated?**

Generally, under the Natural Gas Law, access of third parties to the natural gas transportation system is performed on the basis of an agreement and at tariffs established in accordance with the methodology approved by NARE.

However, we understand that the terms which are not expressly regulated by NARE may be negotiated between parties.

## 7 Gas Transmission / Distribution

**7.1 Outline broadly the ownership, organisational and regulatory framework in relation to the natural gas transmission/distribution network.**

Both the activity of transporting natural gas and the activity of distributing natural gas can be performed on the basis of licences only, such as those issued by NARE, for a period of 25 years and against a state fee of MDL 3,250 (*cca.* EUR 160). The TSO is to also obtain a certificate confirming compliance with the independence and unbundling rules.

There are currently two licences for the transportation of natural gas and 25 licences for the distribution of natural gas issued by NARE.

The general principles on access to the natural gas transportation network (which are similar to those of access to the natural gas distribution network) are outlined at question 6.6 above.

**7.2 What governmental authorisations (including any applicable environmental authorisations) are required to operate a distribution network?**

As indicated at question 7.1 above, the licence for the activity of distributing natural gas is the main permissive act entitling an entity to perform such activity. Depending on the concrete circumstances of the activity, certain other permits may be required (the conclusion

of the state ecology expertise, environment permit, urbanism certificates, construction authorisations, positive conclusions of the expertise in the domain of industrial security, sanitary authorisations for the functioning of the facility, etc.).

### 7.3 How is access to the natural gas distribution network organised?

A DSO is obliged to grant to existing/potential users access to the natural gas distribution network in a transparent, objective and non-discriminatory manner, on the basis of an agreement and at tariffs established in accordance with the methodology approved by NARE. The DSO has the obligation to publish on its electronic page the information necessary for ensuring efficient access to the gas distribution network operated by such DSO. In order to manage access of third parties to the gas distribution system, the DSO is under obligation to keep an electronic register indicating the information with regard to each access point, including the identity of the third party, the existing supplier, the address of the consumption point, the contracted flow, the connection point, the delimitation point, the pressure in the delimitation point, and the characteristics of the measurement equipment.

Access to the natural gas distribution network can be generally refused (a) in case of an absence of system capacity, (b) in case the granting of access would prevent the DSO from executing its public service obligations, or (c) in case of serious economic and financial difficulties incurred due to the “take or pay” obligations. The DSO refusing access to the system due to the absence of capacity is obliged to take the necessary measures to ensure access of the third party to the system, under the condition (a) such measures are economically justifiable, or (b) when the third party requesting access is ready to bear the costs in connection with such necessary measures.

### 7.4 Can the regulator require a distributor to grant capacity or expand its system in order to accommodate new customers?

As indicated at question 7.3 above, the DSO refusing access to the system due to absence of capacity is obliged to take the necessary measures to ensure access of the third party to the system, under the condition (a) such measures are economically justifiable, or (b) when the third party requesting access is ready to bear the costs in connection with such necessary measures. In connection with the refusal of the DSO (i.e. in granting access to its natural gas distribution network), the third parties may address a claim to NARE, which will check the DSO’s execution of its obligations under the law. DSOs must provide information on the measures required for the development of the natural gas distribution network, as well as on the concrete terms for execution of such development.

### 7.5 What fees are charged for accessing the distribution network, and are these fees regulated?

The fees for the DSOs’ services are approved by NARE and published with the Official Gazette of Moldova.

### 7.6 Are there any restrictions or limitations in relation to acquiring an interest in a gas utility, or the transfer of assets forming part of the distribution network (whether directly or indirectly)?

Except for the limitations under the unbundling rules, there are no restrictions or limitations in relation to acquiring an interest in a

natural gas utility, or in the transfer of assets forming part of the distribution network.

## 8 Natural Gas Trading

### 8.1 Outline broadly the ownership, organisational and regulatory framework in relation to natural gas trading. Please include details of current major initiatives or policies of the Government or regulator (if any) relating to natural gas trading.

The Natural Gas Law is based on the assumption of an open natural gas market.

Transactions involving the sale-purchase of natural gas and of other ancillary products are executed on the natural gas market, which is constituted of the wholesale market of natural gas and the retail market of natural gas.

Transactions involving the sale-purchase of natural gas, including import and export transactions and sale-purchase transactions of interconnection capacities, between the producers, TSOs, DSOs, SOs and suppliers are executed on the wholesale market of natural gas. On the wholesale market of natural gas, sale-purchase transactions are performed on the basis of bilateral agreements, taking into account the offer and demand as a result of competitive mechanisms or negotiations.

Transactions involving the sale-purchase of natural gas with end-consumers are executed on the retail market of natural gas, on the basis of the agreements on the supply of natural gas (*Ro. contracte de furnizare a gazelor naturale*) concluded between the suppliers and the end-consumers. The supply of natural gas to household consumers and small enterprises is generally performed at regulated prices.

### 8.2 What range of natural gas commodities can be traded? For example, can only “bundled” products (i.e., the natural gas commodity and the distribution thereof) be traded?

We are not aware of any restrictions on the types of commodities that can be traded.

## 9 Liquefied Natural Gas

### 9.1 Outline broadly the ownership, organisational and regulatory framework in relation to LNG facilities.

Currently, there are no LNG facilities in Moldova.

### 9.2 What governmental authorisations are required to construct and operate LNG facilities?

LNG is not particularly regulated under the Natural Gas Law.

### 9.3 Is there any regulation of the price or terms of service in the LNG sector?

No, there is no such particular regulation.

### 9.4 Outline any third-party access regime/rights in respect of LNG facilities.

As there are no LNG facilities in Moldova, access to LNG facilities is not particularly regulated.

## 10 Downstream Oil

### 10.1 Outline broadly the regulatory framework in relation to the downstream oil sector.

The main normative act in the domain of petroleum products is the Petroleum Products Market Law. The import, wholesale and retail of Diesel, Gasoline and LPG is performed on the basis of a licence issued by NARE for a period of five years.

### 10.2 Outline broadly the ownership, organisation and regulatory framework in relation to oil trading.

The wholesale of petroleum products is performed at non-regulated prices, on the basis of negotiated agreements. As regards the retail of petroleum products, NARE has the attribution to impose a maximum retail price.

## 11 Competition

### 11.1 Which governmental authority or authorities are responsible for the regulation of competition aspects, or anti-competitive practices, in the oil and natural gas sector?

NARE has the general duty to create the necessary conditions for effective competition in the natural gas market, including by promoting, in its normative acts, the principles of equity, transparency and non-discrimination. NARE monitors the natural gas market and performs controls on the timely detection of abuses on the natural gas market.

Such attributions of NARE, however, do not affect the competence of the Competition Council of the Republic of Moldova (CC) to ensure the application of the legislation on the protection of competition in the territory of Moldova.

### 11.2 To what criteria does the regulator have regard in determining whether conduct is anti-competitive?

Competition Law no. 183 dated 11 July 2012 (*Ro. Legea Concurentei*) (*Competition Act*) is the main normative act setting the legal framework for the protection of competition, including with regard to the prevention and counteraction of anti-competitive practices, unfair competition, as well as with regard to the implementation of economic concentrations.

### 11.3 What power or authority does the regulator have to preclude or take action in relation to anti-competitive practices?

Under the Competition Act, CC has the right (a) to investigate anti-competitive practices, unfair competition, other violations in the domain of competition, state aid and advertising, and (b) to ascertain violations of the legislation on the protection of competition, state aid and advertising, and to impose interim measures with regard to such violations, as well as to apply sanctions.

### 11.4 Does the regulator (or any other Government authority) have the power to approve/disapprove mergers or other changes in control over businesses in the oil and natural gas sector, or proposed acquisitions of development assets, transportation or associated infrastructure or distribution assets? If so, what criteria and procedures are applied? How long does it typically take to obtain a decision approving or disapproving the transaction?

CC is competent to: examine the notifications on economic concentrations (*Ro. concentrare economica*) filed by the concerned entities (phase I); initiate investigations, in case notified that an economic concentration is qualified as presenting doubts with regard to its compatibility with the competition environment (phase II); and issue decisions on the compatibility of the economic concentration with the competition environment.

The following types of economic concentrations are covered by the Competition Act:

- (a) mergers between (two or more) previously independent undertakings, or certain parts of undertakings previously independent; and
- (b) acquisitions – by one or several persons already controlling one or several undertakings, or by one or several undertakings, either by acquisition of shares or assets, or on the basis of an agreement or by other means, of direct or indirect control over one or several undertakings or parts of thereof, including the creation of a joint venture, which will fulfil durably all the functions of an autonomous economic entity.

An economic concentration has to be notified to the CC if the following thresholds are reached (on the basis of the turnover in the previous financial year):

- (i) the combined turnover of the undertakings concerned exceeded MDL 25 million (*cca.* EUR 1.21 million); and
- (ii) at least two of the undertakings concerned had a total turnover exceeding MDL 10 million (approx. EUR 0.48 million) in Moldova.

The local competition legislation applies equally to economic concentrations carried out by local and/or foreign entities.

The notifying party may start pre-notification contacts with CC (the relevant information concerning the proposed merger shall be submitted at least three working days before the date of the meeting).

Once CC considers that it has all of the data and documents enabling it to decide on the case, it will declare the notification *effective*. This is the date from which the term of 30 business days for issuing a decision starts running. Within such term of 30 business days, CC is to issue a decision:

- declaring the merger compatible with the competition environment; or
- launching an investigation, if CC concludes that the merger raises serious doubts on the merger's compatibility with the competition environment.

If the merger enters into phase II, the overall duration of the assessment may take up to 120 business days.

## 12 Foreign Investment and International Obligations

### 12.1 Are there any special requirements or limitations on acquisitions of interests in the natural gas sector (whether development, transportation or associated infrastructure, distribution or other) by foreign companies?

There is a general rule in Law no. 81 dated 18 March 2004 “On Investments in Entrepreneurial Activity” (*Ro. Legea cu privire la investițiile în activitatea de întreprinzător*), pursuant to which investments in Moldova cannot be subject to discrimination on the basis of citizenship, domicile, residence, place of registration or activity, state of origin of the investor or of the investment, etc.

We are not aware of any special requirements or limitations on acquisitions of interests in the natural gas sector by foreign companies (if compared with the requirements for local companies).

### 12.2 To what extent is regulatory policy in respect of the oil and natural gas sector influenced or affected by international treaties or other multinational arrangements?

The regulatory policy in respect of the oil and natural gas of Moldova is especially influenced by the provisions of the Treaty Establishing the Energy Community dated 25 October 2005 (*the EC Treaty*). Moldova is a member of the Energy Community as of 1 May 2010. By adopting the Energy Community Treaty, Moldova made legally binding commitments to adopt core European Union energy legislation, the so-called “*acquis communautaire*”.

With the adoption of the Natural Gas Law, Moldova transposed the Third Energy Package. Numerous secondary legislative acts are yet to be adopted as a pre-condition for Moldova to implement the natural gas *acquis* in real terms.

## 13 Dispute Resolution

### 13.1 Provide a brief overview of compulsory dispute resolution procedures (statutory or otherwise) applying to the oil and natural gas sector (if any), including procedures applying in the context of disputes between the applicable Government authority/regulator and: participants in relation to oil and natural gas development; transportation pipeline and associated infrastructure owners or users in relation to the transportation, processing or storage of natural gas; downstream oil infrastructure owners or users; and distribution network owners or users in relation to the distribution/transmission of natural gas.

Pursuant to the Natural Gas Law, misunderstandings between gas companies in connection with such Natural Gas Law may be examined by NARE. The regulator is to issue a decision within two months (extendable by another two months), as of the date of filing by a gas company of the respective claim. Further, NARE examines the disputes (including trans-border disputes) in connection with the refusal of a TSO to grant access to its natural gas transportation network. Also, NARE examines, within 30 business days (extendable by another 30 business days) the misunderstandings between the end-consumers, system users and gas companies, in connection with the provisions of the Natural Gas Law.

Apart from this, the Natural Gas Law stipulates that litigations between participants to the natural gas market are resolved in court. A court judgment can be appealed within 30 calendar days, as of the date of issuance of the judgment. Further, the decision of the Court of Appeal can be contested with the Supreme Court of Justice within two months, as of the date of communication of the integral decision of the Court of Appeal.

The Petroleum Products Market Law does not contain special (additional) procedures of resolution of the disputes between participants to the petroleum products market. Hence, litigations between participants to the petroleum products market are to be resolved either in court or by an arbitral tribunal, as indicated in the above paragraph.

### 13.2 Is your jurisdiction a signatory to, and has it duly ratified into domestic legislation: the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards; and/or the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (“ICSID”)?

Yes, Moldova has ratified:

- the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards – on 10 July 1998; and
- the Convention on the Settlement of Investment Disputes between States and Nationals of Other States – on 5 May 2011.

### 13.3 Is there any special difficulty (whether as a matter of law or practice) in litigating, or seeking to enforce judgments or awards, against Government authorities or State organs (including any immunity)?

Generally, there is no particular difficulty in litigating, or seeking to enforce judgments or awards, against government authorities or state organs (including any immunity). However, in order to be cost and time efficient, companies often try to resolve disputes without seeking a judicial remedy.

### 13.4 Have there been instances in the oil and natural gas sector when foreign corporations have successfully obtained judgments or awards against Government authorities or State organs pursuant to litigation before domestic courts?

We are not aware of any such dispute resolution cases.

## 14 Updates

### 14.1 Please provide, in no more than 300 words, a summary of any new cases, trends and developments in Oil and Gas Regulation Law in your jurisdiction.

#### The Natural Gas Law

Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (the Third Gas Directive) has been fully transposed into the Natural Gas Law of Moldova. However, TSOs are currently exempted from complying with the TSO unbundling rules of the Third Gas Directive (until 1 January 2020). From a mere legal point of view, the TSOs, therefore, need to comply with Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003

concerning common rules for the internal market in natural gas and repealing Directive 98/30/EC (the Second Gas Directive) only.

#### Ungheni–Chisinau Pipeline Extension

The gas market of Moldova is illiquid (The State of Gas Market Integration in the Energy Community, Bucharest, 28 September 2017). In 2016, out of 1,038.4 million cubic metres of contracted gas imports 99.8% were acquired from Gazprom. Liquidity may be improved by diversification of gas supplies in Moldova. In 2016, Moldova signed loan agreements with the European Bank for Reconstruction and Development and the European Investment Bank for financing the Ungheni–Chisinau pipeline extension.

#### Draft Law on Creating and Maintaining a Minimum Level of Oil Products Stocks

The Moldovan authorities have drafted a law on creating and maintaining a minimum level of oil products stocks. The draft is in compliance with Directive 2009/119/EC of 14 September 2009, imposing an obligation to maintain minimum stocks of crude oil and/or petroleum products. However, the timeline for the law's adoption is not clear. The draft law foresees its entry into force on 1 January 2021.



#### **Andrian Guzun**

Schoenherr  
Str. Alexandru cel Bun no.51  
Chisinau Municipality MD-2012  
Moldova

Tel: +373 22 240 300  
Fax: +373 22 240 301  
Email: [a.guzun@schoenherr.eu](mailto:a.guzun@schoenherr.eu)  
URL: [www.schoenherr.eu](http://www.schoenherr.eu)

Andrian Guzun, associate, joined Schoenherr in Chisinau in September 2009 and is a member of Schoenherr's Corporate/M&A, IP, Real Estate Regulatory and Compliance & White Collar Crime practice groups. Prior to joining Schoenherr, Andrian worked as an attorney at law specialising in Criminal Law and Real Estate. He holds a Bachelor of Laws (LL.B., 2007) in Public Law and a Master of Laws (LL.M., 2008) in Civil Law from the Moldova State University, and was admitted to the Moldovan Bar in 2008. Andrian is fluent in English, Romanian and Russian.



#### **Bernd Rajal**

Schoenherr  
Schottenring 19  
1010 Wien  
Austria

Tel: +43 1 534 37 50203  
Fax: +43 1 534 37 66100  
Email: [b.rajal@schoenherr.eu](mailto:b.rajal@schoenherr.eu)  
URL: [www.schoenherr.eu](http://www.schoenherr.eu)

Bernd Rajal is a partner with Schoenherr in Vienna where he is a member of the firm's Regulatory Practice Group. He is also a Co-Head of Schoenherr's Energy Group. Bernd's practice focuses on energy and environmental law. He advises and represents a wide range of energy utilities in relation to power plant permits (e.g. large-scale HPPs, wind farms). Bernd is regularly involved in major energy infrastructure projects all over Europe (Southstream gas pipeline, Nabucco gas pipeline, heating pipelines, gas storages, hydro pump storages) and advises clients of all sectors and industries (utilities, financial investors, network operators, traders) on a large spectrum of energy regulatory issues. He regularly provides transactional advice in the field of energy and environmental law. He advised the European Commission on the status of transposition of the RES Directive in the EU Member States. With Schoenherr representing various governmental departments (e.g. the Austrian Ministry of Environment), he is also involved in legislative procedures making proposals for the amendment of environmental and energy law provisions. Bernd is author of various legal articles in the field of energy and environmental law.

# schönherr

Schoenherr is a leading full-service law firm in Central and Eastern Europe. With 13 offices located in Belgrade, Bratislava, Brussels, Budapest, Bucharest, Chisinau, Istanbul, Ljubljana, Prague, Sofia, Vienna, Warsaw and Zagreb, as well as country desks for Albania, Bosnia-Herzegovina, Macedonia and Montenegro, Schoenherr provides its clients with comprehensive coverage of the CEE/SEE region.\* More than 300 legal professionals work across borders in both a centralised and de-centralised manner, according to the individual client's needs and requirements. Quality, flexibility, innovation and practice-oriented solutions for complex assignments in the field of business law are at the core of the Schoenherr philosophy. \*Schoenherr is in compliance with the respective local legal standards and conduct rules in all countries; therefore, the local firm name may vary from jurisdiction to jurisdiction.

The energy industry is a complex and highly competitive sector. It is obvious that there is a need for professional advisers who understand the business of companies active in this sector, and who have the experience and capacity to handle complex international energy projects.

Schoenherr can assist you with a multi-disciplinary group of lawyers drawn from across the firm's broad international network that specialise in the specifics of the energy sector. The energy group comprises of lawyers from all practice areas with a detailed understanding of the energy sector and of the needs of international energy clients. Sharing our knowledge and co-operating tightly between our practice groups and between our international offices, our energy group can help you to respond to the changes in the industry and to keep pace with market and regulatory developments.

Our lawyers are regularly involved in both international and domestic energy matters including transactions, development projects, mergers and acquisitions, privatisations, public-private partnerships, regulatory matters, public procurement, strategic advice, competition matters and dispute resolution.

### Current titles in the ICLG series include:

- Alternative Investment Funds
- Anti-Money Laundering
- Aviation Law
- Business Crime
- Cartels & Leniency
- Class & Group Actions
- Competition Litigation
- Construction & Engineering Law
- Copyright
- Corporate Governance
- Corporate Immigration
- Corporate Investigations
- Corporate Recovery & Insolvency
- Corporate Tax
- Cybersecurity
- Data Protection
- Employment & Labour Law
- Enforcement of Foreign Judgments
- Environment & Climate Change Law
- Family Law
- Fintech
- Franchise
- Gambling
- Insurance & Reinsurance
- International Arbitration
- Lending & Secured Finance
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Mining Law
- Oil & Gas Regulation
- Outsourcing
- Patents
- Pharmaceutical Advertising
- Private Client
- Private Equity
- Product Liability
- Project Finance
- Public Investment Funds
- Public Procurement
- Real Estate
- Securitisation
- Shipping Law
- Telecoms, Media & Internet
- Trade Marks
- Vertical Agreements and Dominant Firms

**glg** global legal group

59 Tanner Street, London SE1 3PL, United Kingdom  
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255  
Email: [info@glgroup.co.uk](mailto:info@glgroup.co.uk)

[www.iclg.com](http://www.iclg.com)