Attn. Ms. Zinaida GRECEANII MP, Speaker of the Parliament Standing Bureau of the Parliament

Parliamentary Faction of the Party of Socialists of the Republic of Moldova

Mr. Corneliu FURCULITA MP, Chair

Parliamentary Faction of the Democratic Party of Moldova

Mr. Dumitru DIACOV MP, Chair

Parliamentary Faction of PAS, the Bloc ACUM

Mr. Igor GROSU MP, Chair

Parliamentary Faction of ACUM PLATFORMA DA

Mr. Alexandru SLUSARI MP, Chair

Independent MPs

3 March 2020

PUBLIC CALL

The civil society organizations call the Parliament to pass <u>Draft Law No. 109</u> on Noncommercial Organizations in its final reading without amendments that could hinder the NGOs' work

In March 2016, the Ministry of Justice started the work on a new Law on Noncommercial Organizations. The draft law was part of the National Action Plan for the implementation of the Association Agreement with the European Union for 2017 - 2019. The draft law was prepared by a working group-which also included civil society representatives-set up by the Ministry of Justice.

The new draft law transposes the best practice and standards concerning freedom of association, recommended by the Venice Commission and OSCE/ODIHR. The draft law limits the possibilities for authorities to exert pressure on noncommercial organizations and excludes unjustified limitations on setting up nonprofits by persons from certain categories. In addition, the draft law simplifies the registration of noncommercial organizations and their rigid internal organizational structure imposed by current laws. The draft law does not require the repeated registration of noncommercial organizations and does not restrict foreign funding for them. As for political activities, the draft law completely prohibits noncommercial organizations from supporting election candidates and sets clear limits on the relationship between noncommercial organizations and political parties. The draft law also establishes the legal framework concerning the government financing or support for noncommercial organizations —a field that has been insufficiently regulated by current laws. The Ministry of Justice put the draft law to repeated public consultation and improved it based on the received feedback.

The draft law <u>passed its first reading in Parliament</u> on 3 May 2018. Since then, the draft law has garnered all <u>required endorsements</u>, including from the National Anticorruption Centre (NAC) and the relevant specialized committees. Although the enactment of the draft law in the final reading should have been a natural follow-up, the Parliament has been putting off the final reading for 22 months now.

The lack of a new legal framework on noncommercial organizations has perpetuated issues with the application of the legislation on noncommercial organizations. The March 2019 amendments intended to bring the Civil Code up to date and supposed to be voted along with the draft Law on Noncommercial Organizations added other difficulties, including the impossibility to set up the association form "the union of legal entities". All these changes are provided for in the draft law in question. The failure to pass the

new law also causes financial difficulties for noncommercial organizations. Currently, the Public Services Agency levies the same taxes on NGOs for certain types of services as on commercial legal entities, which is unreasonable.

The signatory organizations call the Parliament and all parliamentary groups:

- To pass draft Law on Noncommercial Organizations No. 109 of 3 April 2018 in the final reading as soon as possible but not later than by the end of March 2020;
- To reject the amendments that can hinder the work of noncommercial organizations, especially
 those that limit freedom of expression or the noncommercial organizations' possibility to
 advocate for public policies or to access foreign funds. Such limitations are incompatible with a
 genuinely democratic society and with the standards of the Council of Europe;
- To consult civil society organizations about any proposed amendment to the draft law in a transparent and inclusive way. Since the draft law was prepared in collaboration with representatives of the civil society sector, we request that they be involved in the discussions related to the completion of the draft law for the second reading.

Signatory organizations:

- 1. Legal Resources Centre of Moldova (LRCM)
- 2. Amnesty International Moldova (AIM)
- 3. Association of Independent Press (API)
- 4. Expert-Grup
- 5. Institute for European Policies and Reforms (IPRE)
- 6. The Community WatchDog.MD
- 7. Contact Center
- 8. The Association for Participatory Democracy "ADEPT"
- 9. East Europe Foundation (EEF)
- 10. Promo-LEX Association
- 11. The Center "Partnership for Development"
- 12. Independent Journalism Center (IJC)
- 13. Association for Efficient and Responsible Governance (AGER)
- 14. Center for Investigative Journalism (CIJ)
- 15. International Center "La Strada"
- 16. Institute for Public Policy (IPP)
- 17. IDIS Viitorul
- 18. CPR-Moldova
- 19. Soros Foundation Moldova
- 20. Institutum Virtutes Civilis
- 21. Rehabilitation Centre for Torture Victims "Memoria"
- 22. Center for Training and Organizational Consulting (CICO)

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