
AGREEMENT

BETWEEN

THE GOVERNMENT OF THE FRENCH REPUBLIC

AND

THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA

ON THE ESTABLISHMENT AND ACTIVITIES

OF

THE *AGENCE FRANCAISE DE DÉVELOPPEMENT*, PROPARGO

AND EXPERTISE FRANCE

IN MOLDOVA

THE GOVERNMENT OF THE FRENCH REPUBLIC

AND

THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA,

Hereinafter referred to for the purposes of this agreement as the “**Parties**”.

Recalling that France and Moldova are motivated by the desire to strengthen their ties of friendship and cooperation;

Welcoming the common desire to intensify and expand economic and financial cooperation between the two countries;

Recognizing that the *Agence française de développement* (hereinafter referred to as the “**AFD**”) and its subsidiary specialized in financing private sector development, the *Société de Promotion et de Participation pour la Coopération Économique* (hereinafter referred to as “**PROPARCO**”), as well as the *Agence française d’expertise technique internationale*, specialized in promoting technical assistance and French expertise abroad (hereinafter referred to as “**Expertise France**”) forming the AFD Group (hereinafter the “**AFD Group**”) are developing their activities in the territory of Moldova;

Recalling that the AFD Group is central to the French official assistance provision for developing countries and that it is active in more than 80 countries thanks to its network of some 60 local representations;

Recalling that the AFD, an industrial and commercial public establishment whose statutes are defined in the French *Code Monétaire et Financier*:

- fights poverty, supports economic growth and participates in preserving global public goods in developing countries, emerging countries and French overseas territories;
- is supervised by the French Ministry of Foreign Affairs and International Development, Ministry for the Economy and Finance, Ministry for Overseas France and Ministry of the Interior; it implements French development assistance policy and acts under the control of and in close collaboration with these Ministries;
- is active primarily in the framework of the priority investment programme of the host States through grants, long term loans and guarantees granted to the State, to local government bodies and to public and private financial institutions and businesses, or in the form of purchase of stakes in businesses operating in its areas of intervention;
- also offers consultancy, training and technical assistance services;

Recalling that PROPARCO, created in 1977 in the form of a company under French law:

- is a financial institution for development, with a majority stake held by the AFD, and whose personnel is fully provided by the AFD;
- has the primary goal of promoting private investment in emerging and developing countries to support growth, sustainable development, and the achievement of the Sustainable Development Goals (SDGs);
- funds economically viable, socially equitable, environmentally sustainable and financially viable operations;
- invests in a geographical area extending from the major emerging countries to the poorest countries, with high social and environmental responsibility requirements;
- offers a comprehensive palette of financial instruments to help address the specific needs of private investors in developing countries (loans, equity capital, quasi-equity instruments, guarantees and financial engineering);

- intervenes only where no other local financial institution is capable of offering similar financial products or services or when such local financial institutions need additional support in order to provide financing;

Recalling that Expertise France, a public sector entity created in 2014 and turned into a company under French law in 2021, with the role of operator of the French State for technical cooperation:

- mobilizes French and international expertise to support the definition and implementation of public policies that respond to institutional, economic, demographic, social and environmental challenges;
- intervenes to strengthen public policies in partner countries and, in conjunction with beneficiary countries and donors, in the main phases of the project cycle (identification, formulation, implementation, and monitoring) and offers a wide range of interventions (provision of short- and long-term expertise, organization of workshops, seminars, training, study visits, etc.) based on an integrated approach of public policies;
- provides expertise and support to national authorities in the definition and implementation of public policies in the framework of international projects financed by French or European public institutions, development banks, beneficiary countries or private foundations. Recalling that it is in the common interest of the Parties to conclude this Agreement in order to allow the AFD Group to provide its financial and technical assistance in Moldova in accordance with the economic and social development goals of Moldova;

Recalling that the Government of the Republic of Moldova wishes to define the framework for AFD Group's activities and to grant certain privileges and exemptions to the AFD Group in order to facilitate the fulfilment of its mission in the framework of the development financing policy of Moldova;

Considering the Convention between the governments of Moldova and France on the avoidance of double taxation and prevention of fiscal evasion as to the income tax;

Consequently, on the basis of respect for the principles of independence, sovereign equality and non-interference in internal affairs, the Government of the French Republic and the Government of the Republic of Moldova have agreed as follows:

ARTICLE 1 – PURPOSE OF THE AGREEMENT

AFD Group is authorized to provide its financial and technical assistance and invest in Moldova as defined in this agreement.

The purpose of this Agreement is to specify the rules applicable to the establishment of the AFD Group office as mentioned in Article 7.1, and to the activities of the AFD Group in Moldova as described in Article 3.1. It defines, *inter alia*, the legal, tax and financial conditions applicable to the status of the AFD Group office and activities of the AFD Group in this country.

ARTICLE 2 – LEGAL STATUS OF THE AFD GROUP

2.1 The AFD Group shall enjoy the legal personality and capacity needed to carry out their activities in Moldova and may, in this capacity, contract, acquire and dispose of movable and immovable goods and go to court.

2.2 The AFD Group may:

- a) Exercise any activity necessary to accomplish their missions as described in this Agreement;
- b) Negotiate and conclude any type of contract, convention or agreement;
- c) Accept any type of guarantee or security;
- d) Employ personnel of Moldovan nationality, French or other nationality.

ARTICLE 3 – AUTHORIZED ACTIVITIES OF THE AFD GROUP IN MOLDOVA

3.1 The AFD Group may, pursuant to the provisions of this Agreement:

- a) provide financial support as loans, grants or guarantees in euros, US dollars or in any other currency, and any form of financial or technical assistance in Moldova to public or private businesses and to public and private financial and banking establishments, as well as to national, foreign or international public or private associations or organizations, or to any legal entity headquartered in Moldova;
- b) acquire any stakes in the equity of all companies (regardless of their form) from any seller, to invest in investment funds, and to transfer or dispose freely of their stakes or their shares to any person with Moldovan or any other nationality;
- c) provide consultancy, technical assistance, training and study services for public or private entities.

3.2 Each of the aforementioned activities shall be the subject of a specific contract defining the obligations and commitments of the parties concerned by the activity or operation in question. Each Party undertakes to make its best efforts to facilitate the achievement of any formalities required to ensure the validity or entry into force of such contract or convention.

3.3 The activities of the AFD Group in Moldova shall require no authorization or licence.

3.4 The agreements and contracts concluded by AFD in the exercise of its activities, with Moldova or any public or private entity of Moldova shall be governed by French law and be subject to the competence of a French jurisdiction or an international court of arbitration chosen by common agreement or by any other body for the settlement of disputes, and the judgments and sentences handed down shall be fully recognized and implemented in the territory of Moldova.

ARTICLE 4 – ABSENCE OF BANKING REGULATIONS

4.1 The activities and operations of AFD and PROPARCO shall be considered as cross-border operations realized from its headquarters situated in France.

4.2 Entities of AFD Group and their Representation (as defined in Article 7 of this agreement) shall not have the status of a bank nor any other financial institution in Moldova. They shall therefore not be subject to the provisions of the banking regulations applicable to banks and financial institutions present or operating in the territory of Moldova.

ARTICLE 5 – CONVERTIBILITY AND TRANSFERS

5.1 The Government of the Republic of Moldova hereby authorizes AFD Group as well as:

- (i) any beneficiary of financing from the AFD Group or any guarantor of such financing; and
- (ii) any Moldovan or foreign bank responsible for the transfer of funds,

to convert into foreign currencies, at the exchange rate agreed between an exchange organization and the owner of the funds or published by the National Bank of Moldova on the date of the conversion, and to freely transfer outside of the territory of Moldova any sums due to the AFD Group, including amounts corresponding to the reimbursement of financing, both principal and interest, late payment interest, accessory fees, and all other sums due arising from the exercise or completion of the activities of the AFD Group in Moldova.

5.2 The AFD Group is also authorized to:

- (i) hold bank accounts in Moldova in any currency,
- (ii) convert into foreign currencies, at the exchange rate agreed with AFD Group or published by the National Bank of Moldova on the date of the conversion, any sums due to it in connection with its activities in Moldova as listed in Article 3.1 of this Agreement, and
- (iii) freely transfer outside of the territory of Moldova any sums in foreign currency, as referred to in the second indent of this Article 5.2.5.3 The AFD Group may carry out, in the implementation of loans or any other financial operations, direct payments to suppliers or co-contractors of the borrower or beneficiary concerned, not established in the territory of Moldova.

5.4 Banks duly authorized to operate in Moldova may:

- (i) convert Moldovan Lei received from the debtors of the AFD Group into any foreign currencies, at the exchange rate agreed with AFD Group or published by the National Bank of Moldova on the date of the conversion, and
- (ii) transfer these foreign currencies to the bank accounts of the AFD Group in France or abroad.

5.5 In the event that banks in Moldova refuse to carry out, or do not have sufficient foreign currency to carry out a conversion or transfer, or if for whatever reason a conversion or transfer is not carried out by banks in Moldova because they are not authorized to convert the Moldovan Lei of the AFD Group and to transfer them abroad, the government of the Republic of Moldova (through the National Bank of Moldova) shall do its utmost, as quickly as possible and taking the appropriate steps, to convert the Moldovan Lei into foreign currencies at the applicable exchange rate published by the National Bank of Moldova on the date of the conversion and shall carry out their transfer to the foreign bank accounts of the AFD Group.

ARTICLE 6 – TAX STATUS

6.1 The AFD Group, its assets and revenues from its activities described in Article 3.1 of this Agreement in Moldova shall be exempt from all taxes, direct or indirect (including value added tax), from any withholdings or any charges of any nature.

6.2 The exemptions mentioned in Article 6.1 of this agreement shall apply, inter alia, to:

- a) any direct or indirect tax or duty resulting from the conclusion and implementation of the agreements signed in the framework of the activities of the AFD Group pursuant to Article 3.1 of this Agreement;
- b) the salaries and all types of emoluments paid by the AFD Group to its employees who are not nationals or residents of Moldova regarding the activities described in Article 3.1 in this Agreement.

6.4 No entity or public or private enterprise which pays interests, dividends, commissions, fees or any other amounts to the AFD Group shall be required to withhold or deduct any tax or other amount from the sums due to the AFD Group.

6.5 The AFD Group shall be exempt from any tax notification requirement in Moldova regarding its activities described in Article 3.1 of this Agreement.

ARTICLE 7 – LOCAL REPRESENTATION OF THE AFD GROUP – STATUS OF EMPLOYEES

7.1 Representation of the AFD Group in Moldova

- a) The AFD Group may, without being subject to any kind of formality, open one or several representations in Chişinău ((hereinafter referred to as the “**Representation(s)**”) or in any other place in Moldova in order to exercise the activities described in this Agreement.

The Government of the Republic of Moldova shall facilitate the opening and functioning of any Representation in accordance with this Agreement. The Representation(s) of the AFD Group in Moldova shall be responsible for the identification of projects which the AFD Group may implement in Moldova, for the preparation and for the negotiation of the documents connected with these projects, as well as for monitoring their implementation.

In accordance with Article 4 (*Absence of banking regulations application*) of this agreement, the activities of any Representation shall not be subject to the laws or regulations applicable to banks operating in Moldova, and neither the entities of AFD Group nor its Representation(s) shall be considered as having the status of a permanent establishment in Moldova for the purposes of tax regulations.

- b) Any Representation shall enjoy the following facilities:
 - exemption from customs duties, from taxes and from the obligation to collect or to pay such customs duties or taxes on equipment necessary for the activity of the Representation;
 - exemption from all taxes, including, if applicable, value added tax (or its equivalent) on the purchases of the Representation for its activities in Moldova;
 - the Representation, its property and assets shall be immune from search, confiscation, requisition and expropriation;
 - the correspondence and archives of the Representation and, more generally, all documents belonging to it or held by it shall be inviolable and the authorities in Moldova shall not enter the premises of the Representation without the prior consent of the AFD Group;
 - the debts, claims or other obligations resulting from credit agreements, subsidies or guarantees approved or managed by the AFD Group shall enjoy absolute protection

from any form of confiscation, attachment or measure of forced execution of any nature carried out against the AFD Group or its Representation.

- c) The Government of the Republic of Moldova undertakes not to nationalize or expropriate any property, asset or funds of the AFD Group or of its Representation(s) and not to take any action with the consequence of the impossibility of enjoyment of these properties, assets or funds, its nationalization or expropriation.

If for reasons of justified general interest, any such measure or action is taken, then adequate compensation will be accorded to the AFD Group without delay and in a freely convertible currency. The financial compensation will be agreed mutually, at the independently determined market price, and accepted by the Parties.

7.2 Expatriate personnel of the AFD Group

- a) The AFD Group shall determine the number and the qualifications of the members of its personnel who do not hold the nationality of Moldova and who are not holders of resident visas for Moldova (hereinafter referred to as “**Expatriate Employees**”) which it deems necessary for the good running of its Representation(s).

The AFD Group shall shoulder the full costs of salaries, indemnities and transport of Expatriate Employees. These employees shall enjoy the French social security and pension regimes and shall therefore not be subject to the provisions of the same nature which may apply in Moldova. In particular, the AFD Group shall not pay contributions normally paid by the employer under the employment regimes in Moldova.

- b) The Government of the Republic of Moldova shall facilitate the entry, stay, residence, freedom of movement and exit formalities of Expatriate Employees and their spouses, partners and any dependent members of their families.
- c) The Government of the Republic of Moldova shall grant the following facilities to Expatriate Employees and their spouses, partners and any dependent members of their families:
- issuing of an entry permit and multiple entry visas and the issuing of residence permits for the territory of Moldova;
 - right to import their furniture and personal belongings free of duty when first taking up their post in Moldova;
 - issuing of any authorization necessary for the free transfer of personal belongings to or out of Moldova;
 - issuing, to the spouse or partner of the Expatriate Employee, of a work permit valid for the same period as the visa or the entry permit of the Expatriate Employee concerned, allowing him or her to work in Moldova.
- d) The Government of the Republic of Moldova shall grant to Expatriate Employees the following privileges and immunities:
- immunity of jurisdiction for acts performed in their official capacity. This immunity shall not exempt them from the jurisdiction of the French Party.

7.3 AFD Group personnel of Moldovan nationality or resident of Moldova

In the framework of its activities in Moldova, the AFD Group may employ staff who are nationals or residents of Moldova in accordance with legislation and regulations in Moldova concerning labour law and social security.

These employees shall enjoy immunity of jurisdiction only for acts performed by them in their official capacity.

7.4 Temporary missions to Moldova

In order to accomplish its activities in Moldova, the AFD Group may send temporary missions to Moldova or mandate consultants in the framework of its activities.

The Government of Republic of Moldova shall take the steps needed for members of temporary missions to receive within reduced timeframes the authorizations required for their entry to, stay in and exit from the territory of Moldova.

Concerning immigration regulations, the members of these temporary missions shall enjoy the regulations applicable to the personnel on missions of international development financial institutions which operate in Moldova.

The Government of the Republic of Moldova shall grant to members of temporary missions immunity of jurisdiction for acts performed in their official capacity. These immunities shall not exempt them from the jurisdiction of the French Party.

ARTICLE 8 – IMPLEMENTATION OF THE AGREEMENT

8.1. In order to facilitate the procedures of the AFD Group for the implementation of its activities, Moldova shall communicate all necessary information to its entities in order to enable full implementation of this Agreement promptly and take any internal measure required to that effect.

8.2. Starting from the entry into force of this Agreement, the AFD Group may present this Agreement, whether by reference or by means of a copy, before any authority, official and, more generally, before any public administration of Moldova. In order to enable the beneficiaries of financing from any entity of AFD Group or its co-contractors to request the implementation of the rights contained in this Agreement, the AFD Group may communicate a copy of this Agreement to such beneficiaries or co-contractors in order that they may produce it before the authorities concerned.

No legislative, regulatory or other provision taking effect after the entry into force of this Agreement may be prejudicial to the rights and privileges of the AFD Group provided for by this Agreement.

ARTICLE 9 – ENTRY INTO FORCE, DURATION, TERMINATION AND AMENDMENT

9.1 Entry into force

Each party shall notify the other in writing of the completion of the constitutional procedures required concerning the entry into force of this Agreement, which shall take effect the first day of the second month after the day of receipt of the later notification.

Immediately after the entry into force of this Agreement, the Government of the Republic of Moldova shall, in accordance with Article 102 of the Charter of the United Nations, proceed with the registration of this Agreement with the United Nations Secretariat. The Government of the French Republic will be informed of this registration by the transmission of the United Nations registration number as soon as confirmation from the United Nations Secretariat has been received.

This Agreement shall apply to the ongoing contracts concluded by any entity of the AFD Group in Moldova.

9.2 Amendments to this Agreement

The Parties may amend this Agreement at any time in writing by mutual agreement. Any amendment shall enter into force after the accomplishment by each Party of the internal procedures required for it and shall be fully part of this Agreement.

9.3 Settlement of disputes

Any dispute between the Parties arising from the interpretation or implementation of this Agreement, its potential additional agreements or any issue relating to the AFD Group, the Representation(s) or relations between the Government of Moldova and the Government of the French Republic in relation to this Agreement shall be settled amicably by direct negotiation between the Parties through diplomatic channels.

9.4 Duration and termination

This Agreement is concluded for an indefinite period. It may be terminated at any time by each Party by giving six (6) months' written notice notified through diplomatic channels to the other Party. This being the case, the Agreement ceases to apply with a timeliness of six (6) months after the date of receipt of the notification. The termination of this Agreement shall not affect ongoing contracts or conventions concluded while this Agreement was in force.

Done at _____, on _____, in two originals, in French and Romanian, both versions being equally authentic.

FOR THE GOVERNMENT OF THE FRENCH REPUBLIC

FOR THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA