



Public Policy Observer

Responsible Sustainable Development Policy

The Public Policy Observer includes the analysis of draft legislation and regulations that are on the agenda of Government and Parliament, which are generally perceived as sensitive, as well as of certain publicly available information, with a view to identify potential risk to the public interest.

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New risks to legalize impunity and affect the investigation of the fraud from the banking system

Transparency International-Moldova (TI-Moldova) expresses its concern about the fact that on the eve of the end of the current parliamentary session, the governors have brought back to the agenda two older ideas, previously blocked by a joint effort of civil society and country's development partners¹:

¹ <http://www.transparency.md/2016/12/12/adoptarea-proiectului-legii-privind-liberalizarea-capitalului-submineaza-eforturile-anticoruptie/>, <http://www.transparency.md/2017/01/12/apel-al-reprezentantilor-societatii-civile-catre-guvernul-statelor-unite-ale-americii/>, <http://www.worldbank.org/en/news/press-release/2016/12/21/world-bank-statement-on-capital-liberalization-and-fiscal-stimulation-law-in-moldova>, <http://www.ipn.md/en/economie-business/81114>, <http://www.transparency.md/2017/02/07/no-amnesty-for-corruption-in-moldova/>

the capital amnesty and decriminalization of economic and financial crimes. This time, the initiatives outlined have been covered by the process of amending fiscal-budgetary legislation and overshadowed by government's apparent intentions to reduce the tax burden on the population and economic agents.

Along with these draft laws that jeopardize the process of investigating and recovering the means extracted from the Moldovan banking sector, including the NBM, as well as creating opportunities for legalizing these means for the benefit of the persons directly and indirectly involved in fraudulent schemes, the governors put on their agenda other projects to the detriment of the public interest.

Recently, TI-Moldova has learned about the existence of a **draft amending the Law on the National Bank of Moldova (NBM)**. We note that the project in question has not been made public, as required by the rigors of decisional transparency. The extract from the unofficial text of the project is presented in the Annex.

According to the document, the changes come in excess of protection, security and compensation to NBM officials in the supervision and management of the financial and banking field. Along with the NBM proposals to admit its remote

management², a group of authors proposes to protect NBM employees from any criminal and administrative prosecution for “actions or failure to carry out arbitration proceedings in which they have been authorized to participate by NBM”.

At the same time, the authors propose to offer the cash compensations to the members of the Executive Committee who have ceased their mandate, as well as NBM staff who have completed their employment relations for a period after leaving the office of the NBM (which is, in effect, a payment “for keeping silence”).

In the case of the adoption of such projects by Parliament, a number of risks are imminent:

- ensuring the impunity of people who have designed, realized, benefited from financial-banking frauds and those who have not taken steps to prevent fraud;
- jeopardizing the investigations as well as the subsequent recovery of fraudulently extracted funds from the banking sector, including the NBM.

We draw the attention of law enforcement institutions, society and development partners that the Republic of Moldova was deprived of about 13% of GDP in 2014 as a result of frauds in the banking system. These missing funds, including the NBM reserves, were converted into government debt by the Government in 2016, and the entire burden was placed on taxpayers for the next 25 years.

The Kroll investigation reports clearly indicate the issues to be investigated to increase the chances of recovering the stolen assets. National competent authorities have mimicked or have done little to ensure genuine investigations and recovery chances. Under these circumstances, the package of legislative acts promoted by authorities without public discussion, in secret, on the eve of the deputies’ vacation, contrary to the recommendations of the development partners, documents that would protect the persons involved in the fraud from the banking system, are contra-indicated and contrary to the public interests.

We demand the authorities to stop promoting and reviewing draft laws that affect the public interest. We urge the speeding up of bank fraud investigations and the enforcement of required procedures, including externally, for securing and securing further recoveries.



**TRANSPARENCY
INTERNATIONAL**
MOLDOVA

Str. „31 August 1989”, nr.98,
of. 205, Chişinău, MD-2004,
Republica Moldova

Tel. 20-34-84, 20-34-85
E-mail:
office@transparency.md
www.transparency.md

² <http://www.bnm.md/ro/content/proiectul-legii-pentru-completarea-legii-nr-548-xiii-din-21-iulie-1995-cu-privire-la-banca>