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New Land Code: A Reshaping of the Moldovan Landscape

The recently adopted Land Code, enacted in February 2024, marks a significant shift in Moldova's land relations, introducing new regulations and opportunities.

Ownership and Restrictions

The new code clarifies land ownership, establishing clear guidelines for both natural and legal persons. However, it also imposes restrictions, notably on foreign ownership of agricultural and forest land. This measure aims to protect vital resources.

State-owned private domain land has become more accessible, with increased possibilities for privatization and commercial use and may be the subject of any civil legal act including being deposited as contribution in the share capital of companies (with certain exceptions provided by law).

Environmental Stewardship

Landowners now bear greater responsibility for environmental protection. The code mandates adherence to strict soil conservation measures, emphasizing sustainable land management.

Expanding Land Use Potential

Agricultural land owners gain flexibility with the ability to build structures like warehouses, processing facilities, and even agritourism accommodations without changing land classification.

While changes in land use for high-quality agricultural, forest, and water land remain limited, exceptions are made for essential infrastructure, mining, and urban development.



Addressing Land Management Challenges

The code tackles the issue of neglected land by empowering authorities to lease out land that is not properly maintained. As the landowners have the duty to maintain their land in a phytosanitary condition, the failure to do so for more than two consecutive years can result in:

- **A written notice:** Landowners will be required to rectify the situation within three months;
- **Forced lease:** If the landowner fails to comply, the local public administration (LPA) may lease the land through a public auction or directly to an adjacent landowner.

This measure aims to prevent land degradation and promote responsible land stewardship.

The historical distribution of agricultural land, primarily through the 1991 Land Code, has resulted in highly fragmented landholdings. These small, irregularly shaped plots hinder modern agricultural practices and productivity. Many landowners are unable to achieve economies of scale and focus on subsistence farming rather than commercial production.

To address this issue and boost agricultural competitiveness, the formation of larger, consolidated landholdings is essential. This consolidation will facilitate the adoption of advanced agricultural technologies and improve overall agricultural output. Unfortunately, progress in land consolidation has been slow, with the current fragmentation levels resembling those post-privatization.

These are just some of the key changes introduced by the new Land Code. To fully understand how these developments impact your specific situation, please consult with our legal experts.

We are here to guide you through the complexities of the new land regulations and help you maximize opportunities while minimizing risks.

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