ANALYSIS NOTE

Alternative economic forms for the provision of alternative child care services in the Republic of Moldova

ANALYSIS NOTE

Alternative economic forms for the provision of alternative child care services in the Republic of Moldova

Chisinau, 2026

The analysis was prepared by the Partnership for Development Centre (CPD) as part of the project "Strengthening Peace and Prosperity through Women's Leadership and Inclusion (Women for Peace and Prosperity)", implemented by the International Labour Organisation (ILO) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), with financial support from the Swiss Government.

Contents

Acknowledgements

The elaboration of this document benefited from the valuable technical support and expertise of several contributors. The core research and analysis were carried out by the experts from the Center Partnership for Development, contributions were provided by Gheorghina Drumea, Marcel Moraru, Alina Andronache, and Alexandra Ermolenco. From the International Labour Organization (ILO), the overall work was guided, supported and supervised by Maria José Chamorro (Formalization and Gender Equality Specialist, DWT/CO-Budapest), Zsolt Dudas (Labour Inspection and OSH Specialist DWT/CO-Budapest), Markus Ruck (Sr Spec, Social Protection, DWT/CO-Budapest) and Nelea Rusu (National Project Coordinator).

Introduction

In the Republic of Moldova, Law No. 367/2022 inaugurates a modern framework of alternative services for children under three years of age, designed to balance the professional and family life of parents. Law No. 367/2022 created an innovative legal framework for alternative childcare services for children up to 3 years of age, designed to support the balance between professional and family life. The mechanisms are detailed in Government Decision No. 572/02.08.2023, which approves the framework regulations and health regulations. These specify the steps for notifying the National Agency for Public Health (ANSP), the maximum caregiver/child ratio and the conditions for the premises. Specifically, the legal framework recognises three distinct forms of service: (i) individualised care at the child's home, (ii) family-type care at the provider's home, and (iii) care organised by the employer at the workplace. For practical support, the MLSP has launched the portal https://serviciialternative.gov.md/, which brings together guidelines, model contracts and the public register of registered services. Pilot projects supported by international partners have demonstrated the feasibility of the model: in 2024, with the support of the ILO, the first two family-type nurseries were created in Bălți and Chișinău, and Orange Moldova opened the first workplace nursery; at the same time, 96 people (including Ukrainian refugees) completed the qualification course for carers. However, by the beginning of 2025, only 22 formal services were registered (21 family-based and 1 workplace-based, and none individualised). This suggests that, despite the existence of a legal framework and pilot initiatives, structural disincentives embedded in the tax and social protection architecture – particularly the mismatch between fixed contributions and limited benefit entitlements – continue to discourage formalization and sustained growth. The following analysis therefore examines the persistent barriers and explores options for economic diversification in line with ILO standards.

The normative act defines three distinct types of care, establishing clear rules for their organisation and operation. Law No. 367/2022 The normative act defines three distinct types of alternative services for children aged 0 to 3 years:

- **Individualised care service** – involves the care of the child directly at their home or temporary residence by a qualified carer acting as a patent holder (holder of an entrepreneur's patent for this activity. The aim is to provide a family-like and comfortable environment so that the child benefits from individual attention and a familiar routine without being exposed to an unfamiliar environment. In practice, a carer looks after a family's child in the child's own home, according to their specific needs. The service is provided based on a service contract between the **patent-holder** carer and the child's legal representative, formalising the relationship between the parent and the service provider.

- **Family-type care service** – consists of the simultaneous care of a small group of children at the home of the qualified carer or in a residential space rented/owned by the carer, provided by a qualified carer acting as a patent holder (holder of an entrepreneur's patent for this activity. The law allows a family-type carer to look after a group of up to 5 children aged between 0 and 3 years old, in a family-type children's home/nursery environment. This model provides children with a comfortable environment, close to a home atmosphere, but also the opportunity to socialise and develop their skills alongside other children of a similar age. As with individual childcare, family-type childcare is provided based on a service contract signed between the **patent-holder carer** and each beneficiary parent.

- **Employer-organised childcare at the workplace** – involves the establishment by an employer of a nursery-type space at the premises of the company or institution, where the children of employees (and, where applicable, of other persons in an employment or study relationship with the employer) are cared for during their parents' working hours. All costs are borne by the employer as a support measure for employees, allowing them to continue their professional activity with their children close by and safe.

Only persons who meet strict legal criteria may work as childcare providers. According to Article 15 of Law 367/2022, a childminder can be any natural person who cumulatively meets the following conditions: (i) is at least 16 years of age; (ii) is qualified in the field of childcare for children up to 3 years of age; (iii) has no criminal record or offences that would make them incompatible with the job; (iv) is medically and psychologically fit to work with young children. A "qualified person" is defined as a person with professional training in the field: either specialised studies (early childhood education, medical/social care) or completion of a qualification course at least level 3 of the National Qualifications Framework. Both the Qualification Standard and the Occupational Standard for childcare workers have been developed, defining the basic skills needed to provide quality and safe care. The importance of this professionalisation lies in ensuring a minimum level of training – such as hygiene, safety, nutrition, early development – and implicitly in increasing public confidence in these alternative services.

The occupation of childcare worker is officially recognised in the updated national classifications. A notable achievement of the legislative reform is the explicit inclusion of the new occupation in the national nomenclatures. The occupation of "childcare worker" has been introduced into **the Classification of Occupations in the Republic of Moldova (CORM 006-2021),** in the basic group 5311 – Childcare workers. Thus, the occupation has the code 531102 for "Childcare worker (nanny)" – referring to the alternative services regulated by Law 367/2022. This gives official recognition to the profession and facilitates, for example, the statistical recording of these workers and their inclusion in social security schemes. In addition, the new economic activity of childcare for children aged 0–3 has been included in the National Economic Activity Classification (CAEM) to allow the registration of patents under a specific code. These classification measures align national practices with international standards and officially recognise the domestic care sector as part of the formal economy, an important step also recommended by the ILO (Convention No. 189 on domestic workers emphasises the need to include these services under the protection of the law and national labour systems).

Individualised and family-type care is carried out exclusively under an entrepreneur's patent, with a civil contract concluded with the parents. For individualised and family-type care, the current legal way to do this is through an entrepreneur's patent regulated by Law No. 93/1998 on entrepreneur's patents. To obtain the entrepreneur's patent corresponding to position 2.52 "Individualised child care services" or position 2.53 "Family-type childcare services", the applicant submits to the State Tax Service, in electronic or paper form, the standard application form, accompanied by the set of documents expressly provided for by Law No. 93/1998, which prove the person's level of professional qualification, state of health and legal integrity. At the same time, a monthly patent fee must be paid. The current amount ranges from 50 to 200 lei per month, depending on the administrative-territorial unit. Applicants must also provide proof of payment of the state social insurance contribution for the entire period during which the activity is carried out under the entrepreneur's patent, or documents confirming exemption from such contributions. In addition, thy must submit documentation confirming their status as an insured person with an annual income capped at 300,000 lei. The patent regime is simplified: it does not require bookkeeping, the submission of periodic tax returns, or the preparation of financial reports.

An essential element of the framework for the operation of services is public health and safety requirements. Since alternative care services involve the supervision of young children in a home environment, for family-type services and those organised by the employer at the workplace, the legislation requires compliance with a Health Regulation, approved by Government Decision No. 572/2023. Before commencing operations, the service provider has a legal obligation to notify the National Agency for Public Health (ANSP) of the initiation of the alternative care service by completing and submitting a notification form and a health self-assessment report, either by email or at the ANSP's one-stop shop. The ANSP checks the documentation and, within 10 days, issues a notification to the provider either confirming acceptance of the notification or refusing it with reasons, indicating the non-conformities that need to be remedied. The notified units are then included by the ANSP in the register of entities subject to state control in public health. If serious deviations are identified, the ANSP may request the suspension or cancellation of the entrepreneur's patent in accordance with Law No. 93/1998. Specifically, (Art. 8(1)(e) (1) leter e) and Art. 9 para. (1) letter d) of the Patent Law provide for the withdrawal of the patent in case of violation of sanitary-epidemiological standards. For workplace-based services, the applicable sanction is the suspension of the nursery until the deficiencies are remedied. At the same time, the adequacy of occupational health and safety standards for services provided in a home environment remains a practical challenge. Although Law No. 845/1992 allows the employment of staff to perform services at the patent holder's home, residential premises are rarely configured to fully meet all ergonomic, ventilation, lighting, evacuation and protective equipment requirements established by labour and occupational safety legislation. These circumstances complicate the determination of liability and the calculation of social insurance benefits in the event of an accident at work, as well as the conduct of preventive inspections by labour authorities. The situation highlights the need for more specific legislative adjustments—either through derogatory provisions or technical guidelines—to adapt health and safety standards to the realities of home-based service provision. In the absence of clearer regulation, there is also a risk that the patent holder may formally declare personal provision of the service while transferring tasks to employees, which contradicts the spirit of Law No. 367/2022, aimed at ensuring care provided directly by qualified persons. Such practices may also complicate monitoring compliance with the maximum number of employees and the required adult-child ratio, potentially affecting the quality and safety of the service.

The law provides for fixed contributions but minimal social and medical protection, an unfair and discouraging system for child carers. The compulsory social insurance system requires childcare providers who provide alternative services under a patent to pay a fixed contribution to the social insurance budget of 20,518 lei per year (1,709.8 lei per month) in 2025, an amount that only entitles them to the old age pension and death benefit, without sickness, maternity or childcare allowances, contrary to the requirements of ILO Convention No. 102. Patent holders who are simultaneously employed under an individual employment contract or fall into the special categories provided for by law (old-age pensioners, persons with severe, accentuated or moderate disabilities) are exempt from this contribution. In terms of medical care, the same providers must purchase the compulsory health insurance premium annually in a fixed amount of 12,636 lei (2,527 lei if payment is made in full by 31 March), without recalculation for those who formalise after the first quarter. However, patent holders who already benefit from health insurance as employees, as well as pensioners and persons with disabilities mentioned above, are exempt from payment, so that most carers, predominantly women, remain subject to a considerable financial burden and limited social protection.

Alignment with ILO standards remains a major challenge. Although Law No. 367 of 2022 and Government Decision No. 572 of 2 August 2023 established the operating framework for alternative care services for children under three years of age, national regulations do not yet cover the decent work requirements set out in International Labour Organisation Convention No. 189 on domestic workers. Caregivers do not have mandatory employment contracts, do not have a guaranteed minimum wage, do not benefit from the delimitation of working time, nor do they have access to all the social benefits provided for in Convention No. 102. The Republic of Moldova has not yet ratified Convention No. 189, and the current tax and social security framework only provides for old age pension and death benefit and excludes maternity, sickness or childcare benefits, contrary to the obligation to cover the nine basic social risks. In the absence of adjustments to tax legislation and the public social and health insurance system, alternative services operate under a regime that recognises the profession but does not guarantee the minimum rights established by international standards.

The persistence of regulatory and procedural barriers compromises the sustainable expansion of alternative care services. The legal and tax architecture applicable to alternative care services remains fragmented, which diminishes the attractiveness of formalisation and the sector's ability to respond to demand. Fragmentation across multiple economic forms with differing contribution rules generates unequal levels of protection, weakens risk pooling with the social insurance system and complicates monitoring of effective coverage. The entrepreneur's patent prohibits the holder from mobilising auxiliary staff, limiting the expansion of services and the continuity of safe supervision. Expenses incurred to adapt premises to health requirements do not benefit from favourable tax treatment, and the fixed contributions imposed on carers are not reflected in a comprehensive package of social benefits, with the exclusion of maternity, sickness and unemployment benefits maintaining a gap between obligations and effective protection. The provision of certified vocational training programmes is insufficient across the country, which hinders access to qualifications and slows down the professionalisation of the field. At the same time, the health notification procedure at the National Public Health Agency involves successive submissions of documents and validation deadlines, which generate additional administrative costs and uncertainty regarding the start date of the activity. Cumulatively, these constraints affect the scaling of alternative services and compromise the public policy objective of reconciling family life with professional activity.

Expanding the range of economic forms is a prerequisite for scaling up and professionalising alternative care services. The current exclusive reliance on the patent regime limits the structural elasticity of the sector, as it places the caregiver in a flat-rate tax framework, without the possibility of hiring staff, deducting investments or accessing full social protection. The introduction of independent economic activity with percentage taxation, permission to set up individual enterprises capable of recruiting assistants, and recognition of the individual employment contract in the direct parent-caregiver relationship would correlate the volume of contributions with actual income, allow for the amortisation of expenses for adapting premises, would extend social and medical coverage to all risks covered by ILO Convention No. 102 and would stimulate access to financing and support programmes dedicated to micro-entrepreneurship, thus creating a legal ecosystem capable of supporting the growth of services and ensuring decent working conditions in line with international standards. Formalization, however, must be accompanied by comprehensive and adequate social protection, otherwise, the incentives to remain informal will persist despite regulatory reform. Ensuring universal access to maternity, sickness, unemployment, and old-age protection for all formalized caregivers should therefore constitute a central objective of the reform process.

Alternative economic forms

An analysis of international practices, corroborated with domestic regulations, identifies four legal options for working as a childminder in the Republic of Moldova, each with its own specific features and benefits: (A) continuing to work under an entrepreneur's patent, subject to improved access to social security benefits and the procedure for purchasing a reduced-rate health insurance policy; (B) entering into a direct contract with the child's legal representatives, a solution that favours an individualised relationship between the provider and the family and requires explicit rules to protect the rights of both parties; (C) carrying out the activity as a self-employed person, which gives the provider greater flexibility and managerial autonomy, while also requiring adequate guarantees for the safety of the child and the social security of the worker; (D) carrying out the activity through a sole proprietorship, which is suitable for persons who intend to hire auxiliary staff, expand their operational capacity and ensure compliance with professional and compliance standards.

Below, each of these options is analysed, taking into account the multiple aspects related to legislative regulation and social protection. This approach will allow to evaluate each option from the perspective of legal regulations and social security, with the aim of identifying the most appropriate and effective solutions that meet the needs of both carers and the children and families they support.

A. Entrepreneur's patent

The legal framework for the patent-based activity regime for the care of children aged 0-3 is established by Law No. 367/2022 on alternative services, which expressly provides that individualised and family-type alternative care services may be provided exclusively on the basis of an entrepreneur's patent. The procedure for obtaining a patent is regulated by Law No. 93/1998 on entrepreneurial patents, which was supplemented by Article 4(3)$^{(2)}$ and (3)^{3}) and Annex No. 1 – items 2.52 "Alternative childcare services – individualised care" and 2.53"... – family-type care", the choice of this instrument was transitional and aimed at the rapid legalisation of the sector, prior to the development of a more advanced economic form. The issuance procedure is carried out at the territorial tax authority: the applicant submits a standard application form, a copy of their identity document, diploma or qualification certificate (minimum level 3 CNC), criminal and contravention record, declaration of good character regarding the absence of specific antecedents and non-forfeiture of parental rights, medical form 086/e and psychiatric opinion 091/e, proof of payment of the fixed social security contribution for the requested period, proof of medical insurance and receipt of the patent fee. The patent is issued for a period of between one month and one year, within a maximum of three working days from the submission of the complete set of documents, and may be extended by the same procedure, subject to the continued validity of the medical documents and qualifications. The patent holder is granted the status of self-employed person[1], exempt from accounting and income tax, but subject to the fixed local tax and the established social and medical contributions. The activity may only be carried out within the limits of an annual sales revenue ceiling of 300,000 lei, established by Article 18(3) of Law 93/1998. Exceeding this threshold requires a transition to a form of entrepreneurship subject to normal taxation.

The benefits of the patent were the reason why this legal form was chosen as the starting solution for the provision of alternative childcare services. The patent regime brings alternative service providers a clear set of practical advantages. The application procedure is quick and straightforward, as the applicant submits a limited set of documents and receives the tax certificate within a maximum of

1 For the purposes of this document, the term of self-employed person refers to a person who carries out their activity in their own unit or in an individual business, without employing any permanent employees

three working days, without having to register with the trade register, open a professional bank account or obtain preliminary approvals from local authorities. At the same time, the documents required, such as a qualification certificate, criminal record, medical record and psychiatric report, constitute an effective public safety filter, reassuring parents that the carer has the necessary pedagogical skills, has proven moral integrity and is physically and mentally fit to work with young children. From a financial perspective, the tax cost is symbolic: the owner pays only the fixed patent fee set by the local council, with current values ranging from around two hundred lei per month in large urban centres to even lower in rural areas, and this fee replaces any income tax, VAT or excise duties characteristic of the entrepreneurial environment. As mentioned above, the provider does not keep accounting records, does not file tax returns and does not incur expenses for a certified accountant, which reduces bureaucracy to a minimum and allows them to focus exclusively on the quality of care. The absence of monthly or quarterly reporting eliminates the risk of penalties for accounting errors, providing financial stability and predictability to an activity that, by its nature, has limited profit margins. Overall, administrative simplicity, low tax costs and a qualification and health-based authorisation filter made the patent the most reasonable tool for launching and increasing the attractiveness of alternative services.

However, the initial advantages mask a structural deficit in social protection, exposing carers, the majority of whom are women, to increased social insecurity. Patent holders in 2025 pay a fixed social contribution of 20,518 lei per year, in accordance with Law No. 489/1999 on the public social insurance system and Law No. 303/2024 on the state social insurance budget for 2025. For this payment, the worker is only entitled to the minimum old-age pension. They do not have access to temporary incapacity benefits due to illness, maternity benefits, financial support for caring for their own child, or protection in the event of unemployment. As a result, coverage is effectively limited to only one branch of social security, falling short of the minimum standard established under ILO Convention No. 102 and leaving caregivers exposed to income insecurity across the life cycle. By comparison, an employee contributes proportionally to their salary and receives the full package of benefits, and an insured unemployed person can receive unemployment benefits without paying such a high annual fee. According to EIGE, the care sector is 93% feminised, a situation that also reflects the real margin in Moldova. Consequently, the current fixed contribution model disproportionally exposed women to reduced lifetime earnings, limited benefit entitlements and increased old-age poverty risks. The design of the social insurance mechanism therefore has direct implications for gender equity, pension adequacy and intergenerational poverty prevention. On the other hand, the medical insurance premium is set at a fixed amount of 12,636 lei, regulated by Law No. 1593/2002, and can only be obtained at a reduced rate until 31 March. People who intend to start services after this date bear the full cost, a situation identified as one of the barriers to the legalisation of services. In addition, tax legislation does not allow the deduction of expenses necessary for setting up the care space, such as investments in safe furniture, educational toys, sanitary facilities and protective equipment, which can easily exceed several tens of thousands of lei, reducing economic profitability and discouraging improvements in service quality. Thus, the initial cash flow burden is high, while the benefits are limited. At the same time, the annual income ceiling allowed per patent, set at around three hundred thousand lei, limits the financial expansion of the provider: once this limit is reached, any attempt to increase the number of children or adjust tariffs risks pushing the activity into the informal sector, without an alternative entrepreneurial regime, which erodes predictability and makes the model difficult to apply in the medium term.

From the perspective of occupational health and safety, the situation is similarly problematic. The patent regime does not clearly regulate the application of workplace safety standards for activities carried out in the provider's home, where the care space overlaps with a private residential environment. This makes it difficult to ensure compliance with standard occupational safety requirements, to conduct preventive inspections, or to clearly determine liability in the event of a work-related accident. As a result, both service providers and beneficiaries involved in such services remain insufficiently protected, while authorities face practical limitations in monitoring compliance with labour safety regulations. In addition, unclear standards may undermine access to employment injury protection and compensation benefits, particulary where the employment relationship is ambiguously regulated or informal.

It is recommended that the regulatory framework be revised by: (i) amending Law No. 489/1999 to allow patent holders to conclude individual social insurance contracts with a 24% rate applied to declared income, guaranteeing access to sickness, maternity and unemployment benefits; (ii) amending Law No. 1593/2002 so that the reduced-rate health insurance policy can be paid within 30 days of losing other insured status; (iii) technical rules should be drawn up that derogate from Law No 186/2008 on occupational health and safety, defining the minimum standards applicable to home-based work in the early childhood care sector, as well as the procedure for investigating accidents occurring in such spaces.

Option A: Activity based on an entrepreneur's patent

Benefits

- Fast and simple procedure for issuing the patent
- Documentary screening (document review) at the moment of submitting the patent application
- The patent holder pays only the fixed patent fee
- Exemption from accounting records, income tax, and periodic reporting/declarations
- Persons who already have another insured status, employees, pensioners, persons with severe disabilities, women on maternity leave, are exempt from paying the fixed social contribution and/or the mandatory health insurance premium (AOAM)
- This economic form is more suitable and attractive for pensioners, people on childcare leave, or those who already have another main activity.

Legislative framework

National legislation expressly provides that alternative individualized and family-type childcare services may be delivered, until a more advanced economic framework is developed, exclusively on the basis of an entrepreneur's patent. The patent holder is required to pay a fixed social contribution (20,518 MDL/year for 2025), which ensures only the minimum pension and does not cover sickness, maternity, or unemployment benefits. Health insurance is also paid as a fixed amount, with the mandatory health insurance premium (AOAM) set at 12,636 MDL, reduced to 2,527 MDL if paid by 31 March; after this date, the full cost becomes a barrier to entry. Annual income is capped at 300,000 MDL, and exceeding this threshold requires a transition to the regular taxation regime.

Legislation of the Republic of Moldova:

- Law No. 93/1998 on the Entrepreneur's Patent
- Law No. 367/2022 on Alternative Childcare Services
- Law No. 489/1999 on the Public Social Insurance System
- Law No. 1593/2002 on Mandatory Health Insurance

Barriers
▶ The fixed social contribution provides only the minimum pension and does not grant entitlement to maternity, sickness, childcare, or unemployment benefits, exposing caregivers to social and financial insecurity. ▶ If insured status is lost after 31 March, the medical insurance premium must be paid in full, and the high cost discourages starting the service. ▶ The patent regime does not allow the hiring of auxiliary staff, which prevents capacity expansion and service continuity when the holder is absent. ▶ The annual income ceiling of 300,000 MDL limits development, as exceeding the threshold requires switching to a more complex tax regime, which is currently lacking. ▶ Mandatory expenses for arranging the space, safe furniture, educational toys, and sanitary equipment are not tax-deductible, reducing profitability. ▶ It does not allow applicants to access grants and financing programs such as those offered by ODA. ▶ Full application of the occupational safety and health (OSH) requirements in a home setting is difficult because the residential space is not adapted to all technical requirements.
Recommendations
▶ Amend Law No. 489/1999 to allow patent holders to opt for a percentage-based contribution (24% of declared income), ensuring access to sickness, maternity, and unemployment benefits. ▶ Amend Law No. 1593/2002 so that the annual health insurance premium may be paid at the reduced rate within 30 days of losing another insured status, and be automatically suspended if the percentage-based contributions paid during a year reach the value of the fixed premium. ▶ Develop technical derogatory standards to the Occupational Safety and Health Law defining minimum requirements for family-type nurseries and procedures for investigating accidents.

B. Individual entrepreneur

The status of individual entrepreneur (ÎI) would be an alternative for expanding care services, allowing a larger number of families to be served and jobs to be created. Article 34 of the Civil Code and Law No. 845/1992 define an individual entrepreneur (ÎI) as a natural person who carries out entrepreneurial activity on their own account, with unlimited liability for their personal assets and the possibility of hiring support staff. The registration of Î.I. is carried out at the Public Services Agency under Law No. 220/2007, by submitting a standard application form, presenting an identity document and paying a state fee of 364 lei, with the issuance of the registration certificate and the assignment of an IDNO within a maximum of three working days (within 24 hours or 4 hours for an additional fee). From the moment of registration, the holder becomes a taxable person, income tax is calculated at a flat rate of 12% applied to profit, and, when determining the tax base, ordinary and necessary expenses, documented and directly related to the entrepreneurial activity, are deducted in full, in accordance with Article 24 of the Tax Code. In the absence of another insured status, the person owes the fixed annual contribution to the social security budget (regulated by Law No. 489/1999) and the AOAM premium in a fixed amount established by Law No. 1585/1998. In terms of accounting, Î.I. falls under micro-entities and keeps simplified records using model registers "Income and Expense Journal", cash register, invoices/tax receipts (with a cash register if cash is collected). The simplified annual financial statements are submitted to the tax authorities by 31 March, and statistical reports are submitted to the National Bureau of Statistics, if requested. The individual entrepreneur may hire employees. Once they become an employer, they are required to fully comply with Labour Code No. 154/2003 and Occupational Health and Safety Law No. 186/2008, including the registration of contracts and the declaration of percentage-based social and medical contributions for employees. However for alternative childcare services for children aged 0–3, Article 8(3) of Law No. 367/2022, read together with Article 4 para (3^2) și (3^3) of Law No. 93/1998, provides that the activity may be carried out exclusively on the basis of a patent, with the individual enterprise (Î.I.) form to be permitted only after the legal framework has been adjusted.

The potential expansion of alternative childcare services for children aged 0-3 through sole proprietorships (Î.I.) would offer several functional advantages for family-type services. The form of entrepreneurial activity through an individual enterprise is recommended for the provision of alternative childcare services, as the registration procedure with the Public Services Agency is simplified and affordable. After registration, the owner keeps simple accounting records and submits a single annual tax return together with a simplified financial statement. The tax framework allows for the full deduction of documented ordinary and necessary expenses, including children's food, educational materials, additional utilities and depreciation of the premises, so that the 12% flat tax applies only to profit. The law does not set an income ceiling for sole proprietorships, and providers are free to adjust their rates and service capacity as demand grows without being forced to change their tax regime. One advantage, but also a request made by several family-type service providers, is the possibility to hire salaried staff and ensure continuity of service during periods of absence. Their status as registered economic operators make them eligible for non-repayable funding for micro-enterprises, including grant programmes administered by the Organisation for the Development of Entrepreneurship, which supports investment in adapting premises, the provision of educational equipment and the improvement of service quality, while maintaining a balance between entrepreneurial flexibility and the reduced administrative requirements of this legal form.

Uncertainties regarding social protection pose risks that must be carefully managed when opting for sole proprietorship. A major vulnerability of the sole proprietorship model, identical to that of the patent, lies in the fact that the owner remains obliged to pay the fixed contribution to the social security budget and the annual AOAM premium individually, without benefiting from additional unemployment guarantees or paid leave; as a result, the effective social and medical protection of the service provider remains as precarious as ever, and temporary absences from work translate directly into loss of income. Also, as mentioned above, another issue raised are practical challenges from an occupational health and safety perspective. Residential premises are not designed as formal workplaces, which makes the full application of standard occupational health and safety requirements difficult. This limits the ability of authorities to carry out preventive inspections and complicates the clarification of responsibilities in the event of a work-related incident. These constraints indicate the need for clearer guidance or adapted standards that would reflect the realities of home-based care services while maintaining minimum safety guarantees for both workers and children.

Recommendation: Review Law No. 367/2022 and Government Decision No. 572/2023 so that alternative care services can also be provided through other economic forms, which would bring more flexibility to such services. For example, there should be provisions allowing the employment of support staff. On the other hand, it is necessary to establish an appropriate registration procedure to ensure a single filter at registration that allows verification of the person's compliance with the requirements established for alternative care service providers. Also, the current system of fixed social contributions similar to the patent regime should be replaced by a proportional model that guarantees full access to social benefits. Technical rules should be drawn up that derogate from Law No 186/2008 on occupational health and safety, defining the minimum standards applicable to home-based work in the early childhood care sector, as well as the procedure for investigating accidents occurring in such spaces. The obligation of the owner to retain effective management of the service, under penalty of joint administrative and civil liability if the activity is entirely passed on to auxiliary staff. It is also recommended that minimum requirements be established for auxiliary staff.

Option B. Activity in the form of an individual entrepreneur

Benefits

- Simple registration with the Public Services Agency based on a standard application and a fee of 364 MDL, with the certificate issued within no more than three working days.
- Single-entry bookkeeping and submission of only one annual tax return together with simplified financial statements.
- Full deductibility of ordinary and necessary expenses, including medical and social insurance contributions, rent, space arrangement, children's meals, educational materials, and additional utilities.
- A single tax of 12% applied only to profit.
- No income ceiling — the provider may freely adjust fees and the number of children.
- Eligible to access micro-enterprise grants, including through ODA programs.
- The possibility of hiring support staff ensures service continuity and allows expansion of family-based capacity.

This economic form is more suitable and attractive for family-type alternative services, as it allows staff employment and expense deductibility.

Legislative framework

An individual entrepreneur is defined as a natural person carrying out business activity on their own account, with unlimited liability. Registration is performed at the Public Services Agency, and NACE Rev. 2 (CAEM Rev. 2) includes code 88.91 "Day-care activities for children," allowing this occupation to be officially registered as the main activity of the enterprise. Employment contracts with staff are fully subject to the Labour Code and to occupational safety and health regulations. Law No. 367/2022 and Government Decision No. 572/2023 currently do not provide for childcare services for children aged 0–3 to be carried out under a regime other than the entrepreneur's patent.

- Legislation of the Republic of Moldova:
- Law No. 845/1992 on Entrepreneurship and Enterprises
- Law No. 220/2007 on State Registration of Legal Entities and Individual Entrepreneurs
- Civil Code of the Republic of Moldova
- Fiscal Code of the Republic of Moldova
- Law No. 489/1999 on the Public Social Insurance System
- Law No. 1585/1998 on Mandatory Health Insurance
- Labour Code No. 154/2003 of the Republic of Moldova
- Law No. 186/2008 on Occupational Safety and Health

Barriers

- The fixed social contribution provides only the minimum pension and does not grant entitlement to maternity, sickness, childcare, or unemployment benefits, exposing caregivers to social and financial insecurity.
- The lack of a professional screening mechanism at registration allows access for persons without adequate qualifications, which may affect safety and quality of care.
- If insured status is lost after 31 March, the health insurance premium must be paid in full, and the high cost discourages starting the service.
- Full application of the Labour Code and occupational safety and health (OSH) requirements in a home setting, once staff are hired, is difficult because the residential space is not adapted to all technical requirements.
- The absence of technical standards adapted to home-based work creates uncertainty regarding liability in case of a workplace accident and complicates preventive inspections.
- Until the legal framework is amended, the individual enterprise form cannot legally be used for alternative childcare services.

There is a risk of simulated personal service provision, with full transfer of duties to employees, affecting service quality and children’s safety.

Recommendations

- Revise Law No. 367/2022 and Government Decision No. 572/2023 to allow individual enterprises to provide alternative childcare services and to hire support staff.
- Establish, at registration, a single screening mechanism to verify the qualifications, integrity, and medical fitness of the holder and auxiliary staff.
- Amend Law No. 489/1999 to allow patent holders to opt for a percentage-based contribution (24% of declared income), ensuring access to sickness, maternity, and unemployment benefits.
- Amend Law No. 1593/2002 so that the annual health insurance premium may be paid at the reduced rate within 30 days of losing another insured status and be automatically suspended if the percentage-based contributions paid during a year reach the value of the fixed premium.
- Develop technical derogatory standards to the Occupational Safety and Health Law defining minimum requirements for family-type nurseries and procedures for investigating accidents.
- Maintain the obligation of the holder to effectively manage and supervise the service, under administrative and civil liability sanctions.
- Introduce minimum requirements for auxiliary staff.

C. Activity based on an employment contract between two natural persons

The legislation allows employment contracts between individuals, as recommended by the ILO for individualised childcare services. Applicable legal regulations, Law No. 367/2022, establish in Article 14(3)(a) that for individualised services, the legal relationship between the child's legal representative and the qualified caregiver is, in principle, established by a civil contract for the provision of services. However, Article 11(1) allows for the conclusion of an individual employment contract for alternative care services, in full compliance with the Labour Code. The legal possibility of such a contract also results from the Labour Code, Article 1, item "employer", which recognises the status of employer both for a legal person and for a natural person "who employ employees on the basis of an individual employment contract". Therefore, a parent has the legal capacity to employ carers as employees. In such a configuration, the parent-employer is obliged to calculate and disburse: (i) income tax withheld at source (in the amount of 12%), (ii) the state social insurance contribution (in the amount of 24% of the wage fund), a tax borne by the employer, and (iii) the compulsory health insurance premium (in the amount of 9% of the salary). The carer thus acquires the status of an insured employee, while the parent assumes all employer obligations: keeping employee records, monthly reporting (IPC21 form), paying the taxes/contributions within the statutory deadlines and, pursuant to Articles 10–15 of the Code, complying with the rules on working time, occupational safety and health, annual leave, and temporary incapacity allowances. The caregiver acquires the status of employee, and the parent, as employer, is responsible for managing the employment relationship, from reporting and payments to the application of rules on working time, health at work and leave. The individual employment contract concluded between the employee and the individual employer must include all the clauses provided for in Article 49 of the Labour Code. Labour jurisdiction refers to the resolution of individual labour disputes related to individual employment contracts. According to the LC, individual labour disputes may be resolved by conciliation commissions or courts of law. These disputes may involve both employees and employers who are natural persons and legal entities. The State Labour Inspectorate is responsible for exercising state control over compliance with legislative and other normative acts on labour law by employers who are natural persons. However, the manner, conditions and procedure for exercising state control over individual employers in the field of labour law are not explicitly regulated by the current regulatory framework. In conclusion, although Law 367 favours service contracts for individualised services, the regulatory framework does not exclude, but rather enshrines, the possibility of individual employment contracts between two natural persons, provided that all tax, social and labour protection obligations imposed by labour and occupational safety legislation are fulfilled. Furthermore, this type of contract is recommended by the International Labour Organisation: ILO Convention No. 189/2011 on decent work for domestic workers (Art. 7), which obliges signatory states to provide domestic workers with a written contract containing essential clauses, guaranteeing them social protection and fair working conditions.

The conclusion of an individual employment contract between the child's legal representative, as an employer-natural person, and the qualified caregiver, fully meets the requirements of ILO Convention No. 189/2011 on decent work for domestic workers, as it guarantees a written legal document that prescribes the essential clauses of the employment relationship, establishing remuneration, working hours, health and safety protection at work, and equal access to social security benefits. This option would be particularly advantageous for those who provide services within a single family or at most two, with a pre-established schedule and other specific conditions. The individual employment contract guarantees the carer a minimum wage, the right to paid annual leave, immediate access to sickness, unemployment and maternity benefits, pensionable service and health insurance, all financed by social security contributions and medical insurance premiums calculated as a percentage of the salary, which the parent-employer pays together with the 12% withholding tax, so that the worker receives full social protection and career continuity. For parents, as the child's legal representatives, entering into an individual employment contract with the carer is an advantageous solution, as it establishes an official mechanism whereby the relationship between the parties is regulated in an exhaustive and predictable manner. The written document clearly sets out the schedule, tasks and standards of care, so that the expectations of both parties are aligned from the outset and the quality of the service provided to the child is guaranteed. At the same time, this contractual framework assures parents that the nanny's salary rights and social protection are respected in accordance with the law, reducing the risk of disputes and providing additional security regarding the continuity and professionalism of care. In the context of the above, formalising the parent-caregiver relationship professionalises employment in the domestic sector, brings caregiving into the formal economy and contributes to the goal of modernising childcare services in the Republic of Moldova.

On the other hand, the individual employment contract model faces systemic obstacles which, in the absence of regulatory and fiscal remedies, make it difficult and unattractive to implement on a large scale. Hiring a caregiver with an individual employment contract primarily involves a significant change in costs and cash flow for both parties: from the gross salary established, the parent must pay an additional state social security contribution equal to 24% of the salary fund, and 9% is deducted from the same gross salary as a compulsory health insurance premium and 12% as income tax, which reduces the carer's net income. Consequently, in order for the caregiver to receive the same net amount as when working informally, the agreed gross salary must be increased, which increases a family's monthly expenses, and the reduction in the employee's net income significantly discourages them from legalising their activity. The parent, who has become an employer, assumes responsibility for organising and managing the employment relationship, financial records and ensuring compliance with labour regulations. The family home also acquires the status of a workplace, and the parent is responsible for compliance with occupational health and safety regulations, which complicates the situation if a domestic accident occurs. Another impediment stems from the lack of clear instructions on the procedure for declaring and paying contributions when both the employer and the employee are natural persons, a regulatory gap that generates uncertainty and the risk of non-compliance. In addition, tax legislation does not provide specific deductions to offset the financial burden on the family, and the tax-free threshold of two thousand five hundred lei, which may be borne by the parent's employer, only partially covers the actual cost of a nanny, so many parents remain tempted by informal arrangements even though these deprive the caregiver of social protection and expose the family to legal risks. The absence of a simplified and user-friendly digital declaration mechanism for household employers creates compliance risks and discourages formal employment relationships. International experience demonstrates that streamlined electronic contribution systems are critical to extending social protection coverage in domestic work sectors.

Recommendations: Develop mechanisms for registering and recording contracts between two individuals and develop mechanisms for the payment of social security and health insurance contributions by the employer (individual) for the employee (individual). Adopting a coherent package of measures to simplify reporting and accounting procedures for domestic employers, reduce the financial burden and provide guarantees in line with International Labour Organisation standards. These measures transpose the standards of Convention No. 189 on decent work for domestic workers, which require fair working conditions for domestic workers, written information on essential terms, protection against abuse and effective access to social security.

Option C. Work under an individual employment contract between two natural persons

Benefits

The written contract sets out duties, working hours, salary, and care standards, ensuring transparency and trust for both parties.

- The caregiver becomes an employee and immediately benefits from pension coverage and contribution record for old-age pension, paid leave, sickness and maternity benefits, unemployment benefits, and full health insurance.
- The parent-employer has a predictable legal framework that reduces the risk of disputes and guarantees service continuity.
- The model complies with the requirements of ILO Convention No. 189 on Decent Work for Domestic Workers and professionalizes the occupation.

This form of economic activity is suitable for individualized alternative services and for providers who perform them on a permanent, professional basis.

Legislative framework

- National legislation in the Republic of Moldova provides for the right to conclude an individual employment contract or a service provision contract between two natural persons. However, there is a significant gap regarding the mechanism for recording these contracts and how taxes and social contributions can be paid by the parties involved. This legislative gap creates uncertainty and difficulties in complying with fiscal and social obligations, both for employers and service providers.
- Therefore, it is imperative to develop an appropriate legal framework that clarifies procedures and establishes rules for the registration and management of these types of contracts, as well as for the proper calculation and payment of taxes and social contributions.

Legislation of the Republic of Moldova:

- Labour Code No. 154 of 28 March 2003

Barriers

The parent-employer must additionally pay 24% social insurance contributions and 9% health insurance contributions, while 12% income tax is withheld from the gross salary, which increases the total cost for the family and reduces the caregiver’s net income.

There is currently no financial and tax compliance mechanism taillored to home-based individual employers, nor are there adapted occcupational safety and health regulations for this type of employment arranngement.

Clear procedures for inspections by the State Labour Inspectorate for individual employers are lacking, and this uncertainty may discourage formalization.

Fiscal legislation does not provide specific deductions to offset the family’s financial effort, so many parents remain tempted to use informal arrangements.

Recommendations

- Revise Law No. 367/2022 and Government Decision No. 572/2023 to allow individual employment contracts for the provision of individualized alternative services.
- Create an easy-to-use electronic platform for registering contracts between natural persons, automatically calculating tax and social contribution obligations, and transferring them to the budget.
- Develop derogatory technical standards under Law No. 186/2008 on Occupational Safety and Health, defining minimum requirements for home-based work in the early childcare sector, as well as procedures for investigating accidents occurring in such settings.
- Adopt a coherent package of measures to simplify reporting and accounting procedures for home-based employers and reduce their financial burden.
- A voucher system for purchasing service providers' working hours should be adopted as a payment mechanism.

D. Independent entrepreneur

In its recently adopted form, the legal framework on independent economic activity offers an attractive and suitable regime for providers of alternative childcare services. The new Law No. 228 of 10 July 2025 amending certain legislative acts (on the independent economic activity of natural persons) explicitly establishes the possibility of exercising liberal professions through independent economic activity carried out by natural persons. This new legislative framework, creates a conducive context for ensuring a clear and regulated provision of how to provide such services, similarly to Law No. 367/2022 on alternative childcare services, regarding the qualified services in the field of childcare for children up to the age of three. Additionally, the law refers to activity 88.9 "Other social assistance activities without accommodation," under the Classification of Activities in the Economy of Moldova (CAEM-2), which includes childcare-related activities and can, at least theoretically, encompass alternative childcare services.

The new regime is accessible and easy to initiate. Registration as an independent entrepreneur person will be done by simply submitting a notification of service initiation and a sworn statement regarding the quality of services provided to the competent authority, which will instantly assign a tax code, free of charge, and from that moment on, the person will be registered with the Tax Service, National Social Insurance House and the Statistics Office, without any other registrations at the counter. Within ten days, the holder opens a single bank account dedicated to the activity, through which all receipts and payments for the care service are processed. The bank, through the national software interface, automatically calculates and transfers the 15% single tax on each credited amount and sends the register of operations to the Tax Service. The provider does not keep traditional accounting records, does not file annual returns and does not prepare balance sheets, but is required to have a cash register and control for the taxation of cash payments (electronic POS receipt or cash register application connected to the monitoring system) and to keep the contract/receipts as proof for three years. Any changes (change of address, addition of a new occupation), temporary suspension or cessation of activity must also be declared by electronic re-notification, and the dedicated account remains blocked for collections until reactivation. The activity can be carried out with an income not exceeding 1,200,000 MDL during a calendar year. If the ceiling is exceeded or a simulated employment relationship is found, the State Fiscal Service reclassifies the income and applies the common tax regime. At the same time, the law requires the independent entrepreneur to know and comply with the legislation specific to the field of activity undertaken. Therefore, a childminder who formalises their activity in this form must comply with the special rules on child protection and care, authorisation of alternative services, etc., in accordance with Law No. 367/2022 on alternative childcare services.

The form of independent economic activity establishes an attractive tax and social security regime, based on a single tax and clear contributions, which would guarantee childminders the full range of social benefits and comprehensive medical coverage. The IEA tax and social security regime, according to the new regulations, establishes a single integrated tax of 15% applied to income from services, calculated monthly by the SFS. This rate includes income tax - 3.945%, local taxes - 0.750%, social security contributions - 7.995%, and health insurance premium - 2.310%. Since the percentage rate is lower for determining the calculation basis of the "insured monthly income", the inversely proportional formula is applied when determining future benefits, such as pensions, maternity allowances or temporary incapacity for work, which means that all benefits are granted at a lower amount than those who contribute 24%. This mechanism risks institutionalising a structurally lower level of social protection for independent caregivers compared to employees, potentially creating a segmented labour market within the same profession. For some taxpayers, such a limitation, by restricting the insured monthly income, reduces the level of future social benefits (pensions, temporary incapacity benefits, maternity benefits, etc.). In the absence of the possibility of paying the general contribution of 24% established for other categories of payers, the taxpayer is obliged to either accept minimal social protection, which is a considerable disadvantage. It is advisable either (i) to provide an optional possibility to transfer the full 24% rate with clear actuarial transparency regarding benefit entitlements, or (ii) to introduce a gradual transition toward a proportional contribution model applicable to all caregivers, in order to avoid segmentation and ensure equitable access to comprehensive social insurance benefits. With regard to the medical component, if the percentage transfers included in the single tax do not cover the fixed premium provided for by Law No. 1593/2002 during the year, the difference shall be paid in the following year on the basis of the notice issued on 25 January, and the payment shall be made by 25 February of the following year. The explicit reintroduction of alternative care service providers into the IEA sphere would ensure legal recognition, full access to pensions, allowances and medical services while also enabling them to build an official, documented income history that can support bank loan applications. This form is in line with ILO Convention No. 189, reducing the informal economy and transferring responsibility for social protection from public assistance to contributory financing, while, at the social level, the independent model encourages the emergence of family-type micro-nurseries and stimulates female entrepreneurial initiative, creating flexible jobs and meeting critical needs for work-life balance.

Given that the IEA regime is suitable and attractive for the provision of alternative care services, it is recommended that these services be included in the list of activities permitted under the IEA regime and that a qualification filter be established prior to authorisation. The conditions for access to the caregiving profession differ significantly between the patent regime, which requires a complete documentary check prior to authorisation, and the proposed independent entrepreneurship which is based solely on the applicant's sworn statement. The independent entrepreneurship, regulated by Chapter 104 of Title II of the Tax Code, does not require a professional filter at the time of tax notification; the applicant completes a sworn statement that he meets the legal requirements, without attaching proof of qualification, criminal record, medical record or health certificate, while for the same activity performed under the patent regime according to Law No. 93/1998, Art. 4, paras. (32) and (33), in conjunction with Law No. 367/2022 and Government Decision No. 572/2023, the application must be submitted with all the aforementioned documents, and the absence of any of them leads to rejection. Although the existence of a preventive filter similar to that in the patent regime would be preferable, its absence is not critical, as the applicant assumes responsibility by declaration, family-type services being subsequently verified in the notification procedure to the National Agency for Public Health before the start of the activity, and in the case of individualised services, the parents are responsible for checking the compliance documents, as they are obliged by Article 50 of the Constitution and Articles 3 and 19 of the UN Convention on the Rights of the Child to ensure that the caregiver provides a safe environment for the minor.

It is recommended that alternative childcare services be included in the list of activities permitted for IEA and that an ex-ante professional filter be established by attaching compliance documents to the IEA notification. It is also recommended to introduce a full alternative social contribution option (optional single tax of 24% offering higher social benefits).

Option D. Caregivers' activity in the legal context of independent economic activity

Benefits
▶ Registration is done through a simple notification, and a tax identification number is issued immediately without fees. ▶ No traditional bookkeeping is required; the bank automatically with holds the single tax on each receipt and submits the operations register to the Tax Service. ▶ The 15% single tax. This rate includes income tax - 3.945%, local taxes - 0.750%, social security contributions - 7.995%, and health insurance - 2.310%, providing a full social benefits package. ▶ Service providers have access to the full range of social insurance entitlements ▶ This type of activity is eligible for financing programmes, including those implemented by ODA. ▶ Official income history is available, useful for accessing credit and financing programs. ▶ Fully digital regime with no annual declarations; a dedicated account and electronic cashier system ensure simple tax compliance. This form of economic activity is suitable for family-type services.
Legislative framework
▶ Law No. 228 of 10 July 2025 regulates independent economic activity by natural persons and provides, in an annex, a list of NACE (CAEM) sectors in which activity is permitted. Unfortunately, the occupations childcare worker (ISCO/CORM 5311) and home caregiver (ISCO/CORM 5322) are not included. ▶ The service provider registers with the Public Services Agency based on a notification and a self-declaration, receives a state identification number within 24 hours, and is automatically recorded for tax, medical, and social purposes. Independent entrepreneurs do not keep formal accounting records or submit reports. They can use home equipment, control cash receipts, and open a dedicated current account. ▶ The integrated single tax is calculated monthly at 15% of service income, up to 1,200,000 MDL per year, with a 35% rate applied to income exceeding the ceiling. The 15% rate includes social insurance contributions and health insurance premiums. ▶ If a simulated employment relationship is detected, the income may be reclassified, and the general tax regime applies.

Barriers
► The lack of a professional screening mechanism at registration allows access for unqualified persons, meaning child safety depends on subsequent inspections or the vigilance of parents. ► The 8% social contribution provides benefits at a lower level compared to the full 24% rate. ► Service providers are not allowed to hire assistance.
Recommendations
► Adjustment of the regulatory framework governing alternative childcare services for children up to the age of 3, in order to enable their provision as an independent economic activity. ► Establish an ex-ante professional screening by requiring, upon notification, the qualification certificate, criminal record check, medical certificate, and psychiatric clearance to ensure child safety and parental confidence. ► Introduce an optional 24% social insurance contribution to allow access to a higher level of social benefits. ► Develop derogatory technical standards under Law No. 186/2008 on Occupational Safety and Health, defining minimum requirements for home-based work in the early childcare sector, as well as procedures for investigating accidents occurring in such settings.

Recommendations for improving the legislative framework

This analytical note examines four legal and economic forms for the provision of alternative childcare services, selected as the simplest and most accessible options for initiating and formalising the activity. The analysis builds on the framework established by Law No. 367/2022 and the related secondary legislation, as well as on practical implementation findings, including that, although the model has been piloted, the number of formally registered services has remained low and the individualised format has not been taken up in practice. At the same time, each of these forms requires targeted improvements in order to become an appropriate and sustainable form of economic activity, including by ensuring effective social and financial protection commensurate with the contributions paid, and by reducing the fiscal and administrative barriers that limit scaling and service quality. Against this background, and proceeding from the premise that the economic form is a central determinant of both formalisation and sustainability, in the context of all barriers and opportunities highlighted, the following section sets out the most suitable legal and economic options to be promoted and further adjusted, together with targeted recommendations aimed at increasing their accessibility, viability and alignment with the specificities of alternative childcare provision.

For individualised services, the option that most fully ensures compliance with ILO Conventions No. 102 and No. 189 is the individual employment contract between two natural persons, as this model guarantees written terms of employment, proportional social insurance contributions and comprehensive coverage across the main social risks. Therefore, in order for this model to be workable in practice for natural persons acting as employers, a simplified and predictable compliance mechanism is required, as the current registration, record keeping, declaration, payment and reporting obligations are not designed for home based employers, which is why a four step implementation pathway is proposed: (i) establishing a working group to validate the model and coordinate the intervention, (ii) identifying the legal and secondary framework requiring adjustment and preparing the package of amendments, (iii) designing and instituting a simplified mechanism for contract registration and for the monthly declaration and transfer of the relevant tax and insurance obligations in a format accessible to natural person employers, and (iv) approving the implementation tools, including standard templates and practical instructions, as well as minimum technical rules adapted to home based work, to ensure uniform and predictable application.

Form of organisation	Regulatory acts requiring amendment	Justification for the need for amendments
Individual employment contract between two natural persons	▶ Labour Code – Law No. 154/2003 ▶ Law No. 367/2022 on alternative childcare services ▶ Law No. 489/1999 on the public social insurance system Law No. 1593/2002 on compulsory health insurance ▶ Law No. 287/2017 on accounting and financial reporting ▶ Law No. 186/2008 on occupational health and safety ▶ Government Decision No. 572/2023 on the approval of Regulations on the organisation and functioning of alternative childcare services. ▶ Decision No. 95/2009 approving certain normative acts on the implementation of Law No. 186-XVI of 10 July 2008 on occupational health and safety ▶ Decision No. 697/2014 approving the Regulation on the withholding of income tax from salaries and other payments made by employers to individuals who are not engaged in entrepreneurial activities, in relation to work performed ▶ Decision No. 693/2018 on determining tax obligations related to income tax. ▶ Decision No. 1246/2018 approving the Regulation on granting/suspending the status of insured person in the compulsory health insurance system.	*In order to make effective the option for the parent and qualified caregiver to conclude an individual employment contract between two natural persons, specific adjustments to the regulatory framework are necessary. Law No. 367/2022 already provides for this type of contract, so only minimal adjustments are necessary. Labour Code No. 154/2003, which already allows employment by natural persons, needs to be adjusted in relation to domestic employees, Law No. 489/1999 and Law No. 1593/2002 are to regulate simple and accessible mechanisms for transferring and reporting social and medical contributions, and the related tax decisions are to remove the burden of tax returns and reports from domestic employers, in order to make them accessible to any parent. The full application of home safety requirements remains problematic; therefore, Law No. 186/2008 on occupational safety and health requires derogatory technical standards defining minimum standards for the home as a workplace and the procedure for investigating accidents.* *This form of contract is supported by the International Labour Organisation, which, through Convention No. 189/2011, recommends that states provide domestic workers with a written contract, access to full social protection and fair working conditions. The introduction of the simplified procedures described above brings the Republic of Moldova into line with international best practices and strengthens the professionalisation of the home care sector.*

For family-type nurseries, is recommended to diversify the economic forms beyond the exclusive patent regime, by allowing the individual enterprise form and by explicitly reintroducing the activity under the independent economic activity regime, with ex ante safeguards. The individual enterprise is treated as a functional option for family-type nurseries because it allows the deduction of documented costs necessary for service provision, does not impose an annual income ceiling that would block development, and can ensure service continuity through the possibility of hiring support staff, provided that clear limits are set and that the holder remains responsible for the effective management of the service. In parallel, the explicit inclusion of these services in the independent economic activity regime is presented as a simplified route to formalisation, but conditional on an ex ante professional filter, by attaching compliance documents to the notification, so that simplified formalisation does not diminish the quality and safety safeguards currently ensured through the documentary checks under the patent regime. The matrix below summarises the regulatory interventions required to operationalise each option.

Form of organisation	Regulatory acts requiring amendment	Justification for the need for amendments
Entrepreneur's patent	▶ Law No. 489/1999 on the public social insurance system ▶ Law No. 1593/2002 on compulsory health insurance ▶ Government Decision No. 572/2023 approving the Regulations on the organisation and functioning of alternative childcare services	*The fixed social contribution paid by the patent holder (twenty thousand five hundred and eighteen lei per year) provides only for the minimum pension and excludes sickness, maternity and unemployment benefits. The introduction of the possibility to conclude an individual social insurance contract, calculated at the full rate of twenty-four per cent applied to declared income, correlates the level of contribution with the full package of benefits and eliminates the disadvantageous treatment of employees.* *The annual premium is set at a fixed amount of twelve thousand six hundred and thirty-six lei and can be paid at a reduced rate (two thousand five hundred and twenty-seven lei) only until 31 March, which becomes a barrier to entry for persons who start work after that date. Extending the reduced payment term to thirty days from the loss of other insured status and automatically suspending the obligation when the percentage contributions paid during the year reach the value of the fixed premium guarantees the continuity of medical protection without double taxation and removes the disproportionate cost of access.*
Individual entrepreneur (ÎI)	▶ Labour Code – Law No. 154/2003 ▶ Law No. 367/2022 on alternative childcare services ▶ Law No. 489/1999 on the public social insurance system ▶ Law No. 1593/2002 on compulsory health insurance ▶ Law No. 845/1992 on entrepreneurship and enterprises ▶ Law No. 186/2008 on occupational health and safety ▶ Government Decision No. 572/2023 on the approval of Regulations on the organisation and functioning of alternative childcare services. ▶ Decision No. 95/2009 approving certain normative acts on the implementation of Law No. 186-XVI of 10 July 2008 on occupational safety and health	*In order for the form of individual entrepreneur to be applicable in alternative childcare services, Law No. 367/2022 must be supplemented with provisions that explicitly allow provision through individual entrepreneurship, allow the employment of support staff and establish minimum qualification requirements for them. The ex-ante professional filter could be introduced by amending Law No. 845/1992 on entrepreneurship and enterprises, so that registration with the Public Services Agency is conditional on the submission of these documents. In terms of social protection, the fixed annual contribution and the fixed premium for compulsory health insurance should be amended in a similar way to that proposed for patent activity.*

Independent economic activity	▶ Tax Code of the Republic of Moldova ▶ Law No. 367/2022 on alternative childcare services ▶ Law No. 489/1999 on the public social insurance system ▶ Law No. 1593/2002 on compulsory health insurance ▶ Government Decision No. 572/2023 on the approval of Regulations on the organisation and functioning of alternative childcare services	*Law No. 228 of 10 July 2025 establishes independent economic activity and sets out in an annex the list of CAEM areas in which it may be exercised. In its adopted form, the occupations of childcare worker and family-type nurseries are not listed, so the regime does not expressly apply to alternative care services. It is recommended that alternative care services be explicitly reintroduced in the annex to the law, specifying the corresponding codes, and that Law No. 367 of 2022 be supplemented with an article authorising the provision of these services as an independent economic activity, without relaxing quality and safety standards. At the same time, the Regulations approved by Government Decision No. 572 of 2023 should be harmonised to introduce the notification and record-keeping procedure specific to independent economic activity and to maintain child protection and quality control mechanisms, including a minimum qualification filter at the start of the activity.*

Contact:

ILO Office for Central and Eastern Europe

Mozsár Street No. 14
Budapest H-1066
Hungary

ilo.org