# Annual Report 2006

## Evolution of securities market and activity of NSC

National Securities Commission
2007

# ANNUAL REPORT 2006


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# EVOLUTION OF SECURITIES MARKET

# DEVELOPMENT OF SECURITIES MARKET

## INTERNATIONAL SECURITIES MARKET

The evolution of international securities market in 2006 may be characterized by a constant tendency of recovery after the depression from 2001. Stock exchange indexes have registered increasing tendencies during the whole year, and the major stock exchanges have shown good performances, that exceed the results of the last ten years.

The year 2006 may be characterized as an exceptional one regarding the evolution of the international securities market. During this year the global index SP Global 1200, calculated by the financial rating agency Standard & Poor's, registered an increase of 17%, the index Dow Jones Global Exchange increased by about 77%, registering an upward trend of 600% from its appearance in 2000.

NASDAQ increased by 9%, Totonto Exchange – by 13% and Mexico City Exchange - by 40%. Speaking about European exchanges, it is observed that Frankfurt Stock Exchange rose by about 16%, Paris Stock Exchange – by 12% and Madrid Stock Exchange – by 28%.

The values of indicators of Hong Kong Stock Exchange have exceeded the similar indicators from the previous year by 26%, Shanghai Stock Exchange – by 86% and Bombay Stock Exchange – by 48%. Based on these significant increases, Tokyo Stock Exchange index increased only by 1, 2%. All these results confirm the ascendant evolution of international securities market.

The evolution of Romanian securities market in 2006 may be characterized by strong performances of securities listed at Bucharest Stock Exchange (BSE). BET index, that represents the average price increase of shares listed at BSE, increased by 22% in 2006, ROTX index – by 24% and BET – C index – by 28%.

The amount of transactions with shares performed at BSE in 2006 stood at 9,8 bil.RON, exceeding the amount of the previous year by 2 bil. RON. Stock exchange capitalization stood at 73,3 bil.RON in 2006 as compared to 56,1 bil.RON in 2005.

The same ascendant trend was registered on Russian securities market. According to the results of 2006, MMVB index rose by 68% and reached the limit of 1693,47 points, being the highest value from the moment of establishment and calculation of this index; RTS index reached the limit of 1921,92 points, registering an increase by 70%. The amount of transactions performed through the markets of MMVB group doubled in 2006 as compared to 2005 and stood at 1,9 trillion US dollars; the amount of transactions performed through RTS markets amounted 151 bill's dollars.

The dynamics of the results of MMVB and RTS reflects the general tendency of Russian securities market evolution, this fact being determined by the participation of big Russian companies on the market and by positive economic results from the last years.

## MACROECONOMIC SITUATION OF THE REPUBLIC OF MOLDOVA IN 2006

The main goal of the macroeconomic policies promoted by the state in 2006 was the creation of favorable conditions for maintaining and promoting the economic growth. In this respect a special attention was paid to the increase of internal and external demand for goods and services, the stimulation of development of the sector of small and medium level enterprises, the stimulation of savings and investments. All these measures were performed in order to achieve and maintain price stability and currency stability.

In 2006 Gross Domestic Product (GDP) stood at 44068,8 mil.lei. In real terms it registered an increase of 4% as compared to the previous year.

The amount of industrial production manufactured by all types of enterprises amounted 22243,5 mil.lei. The index of industrial production in real terms represented 93,1% as compared to the previous year. The decrease of the amount of industrial production was determined by the reduction of the amount of production of wine and alcoholic drinks companies, glass producing companies and tobacco producing companies. In the same time, during the respective year there was registered an increase of the amount of industrial production in the branch of technical equipment and medical, precise and optical outfit; production of cement, chalkstone and plaster; manufacturing of carpets and mats; extracting industry; fabrication of medicines and pharmaceutical products; furniture manufacturing and sugar production.

Agricultural production obtained in 2006 by all types of farms stood at 13695,9 mil.lei, representing 95,4% (in comparable prices) in comparison with the previous year. The diminishing of agricultural production was determined by the decrease of vegetable production by 8,5%.

Investments in fixed capital amounted 9580,4 mil.lei, exceeding by 17% the amount registered in the previous year.

At the end of 2006 Consumer Price Index (CPI) represented 114,1% in comparison with 110% in 2005[1].

[1] Data of the National Bureau of Statistics of the Republic of Moldova

## EVOLUTION OF SECURITIES MARKET INDICATORS

Securities market of the Republic of Moldova registered positive tendencies during the last year. This fact is confirmed by the evolution of one of the main indicators that characterizes the evolution of securities market – stock exchange capitalization.

The fluctuation of the index of stock exchange capitalization depends on the market price of all the securities that are in circulation on Moldova Stock Exchange (MSE).

At the end of 2006, the index of stock exchange capitalization stood at 6,7 trill.lei, registering an increase by 1,1 trill. lei as compared to 2005.

The increase of the value of stock exchange capitalization index during the last years, as well as the increasing tendency of the market value of some companies quoted at the stock exchange allows supposing that this index shall increase during the current year too.

The share of stock exchange capitalization in GDP represents 15,2%, maintaining the position occupied in 2005.

In 2006 the rate of increase of stock exchange capitalization was 20,1% in comparison with 6% increase in 2005. This growth is determined by the increase of the market price of securities transacted at the stock exchange.

| Indicators | 2004 | 2005 | 2006 |
|---|---|---|---|
| Gross Domestic Product, mil. lei | 32031,8 | 37651,9 | 44068,8 |
| Stock exchange capitalization at the end of the year, mil. lei | 5270 | 5587 | 6710 |
| Share of stock exchange capitalization in GDP, % | 16,5 | 15,2 | 15,2 |
| Total amount of issues (starting from 1992), mil. lei | 17446 | 17822 | 18505 |

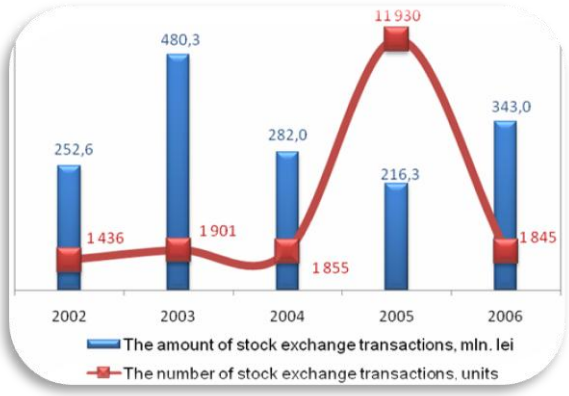
# STOCK EXCHANGE AND OVER-THE-COUNTER MARKET

## STOCK EXCHANGE

In 2006 on the stock exchange there were registered 1845 transactions for the total amount of 343,0 mil.lei. The total number of transactions decreased in comparison with 2005 due to the fact that in the previous year there was registered a big number of transactions of buying/selling stocks of FINN „Daac-Hermes" (9608 transactions), that represented 80,5 % from the total amount of stock exchange transactions performed in 2005.

Total amount of stock exchange transactions registered in 2006 stood at 343,0 mil.lei and is higher than the amounts registered in the period 2000-2005, excepting the year 2003 (480,3 mil.lei).

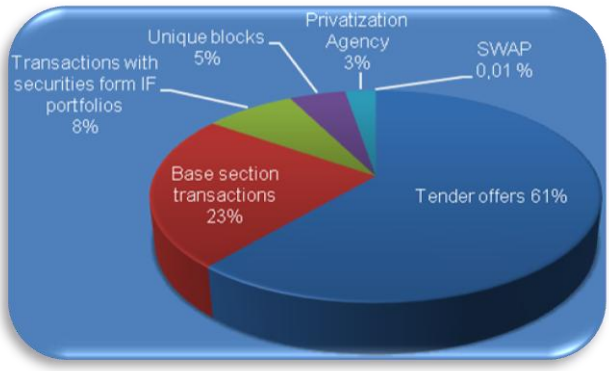
**Figure 1 Stock exchange transactions**




The increase of the total amount of stock exchange transactions was mostly determined by transactions performed by tender offers, that represented 61,2% from the total amount of transactions registered at the stock exchange.

Transactions performed in the base section of the stock exchange amounted 80,6 mil.lei (23,5%), and the amount of transactions performed with stocks of investment funds in the liquidation process stood at 26,7 mln.lei (7,8%). SWAP transactions registered the lowest ratio in the total amount of transactions (0,01%).

**Figure 2 Structure of stock exchange transactions**




Analyzing the structure of transactions with securities executed in 2006, as compared to the previous year, it is observed a significant increase of transactions through public offers. In 2006 there were performed 31 public offers, 26 of which being finalized in the respective year (Appendix 1). From the total number of 31 public offers registered at NSC, 30 of them were buying offers and 1 – selling offer.

The amount of transactions performed within public offers constituted 210,0 mil.lei, registering an increase by 208,0 mil.lei as compared to the previous year. The increase of the amount of transactions was determined by changes applied in august 2005 to the Law on securities market (enlargement of categories of insiders and situations in which it is compulsory to per-

form the public offer). A significant share in the total amount of transactions was occupied by the public offer for shares of CB „Moldova-Agroindbank"S.A. performed at Moldova Stock Exchange in march 2006 for the amount of 122,4 mil.lei.

At the end of 2006, MSE was the holder of 3 licenses for activity on the securities market – stock exchange activity, clearing and self-regulatory activity. The amount of own capital of MSE stood at 655,8 thousand lei, being satisfied the requirement for minimum amount of own capital (650 thousand lei). In 2006 own capital of MSE increased by 53,2 thousand lei or by 8,8%.

MSE also respects the compulsory requirement for the guarantee fund that should be 30% from the minimum amount of share capital (195 thousand lei). At 31.12.2006 the guarantee fund constituted 200 thousand lei placed in bank deposits.

At the end of 2006 there were 26 certified members at MSE (as compared to 28 in 2005), from which 12 commercial banks and 14 non-banking companies that perform broker and/or dealer activity. At MSE there are traded securities of 1045 joint stock companies, from which 14 included in listing and 1031 in non-listing.

National Securities Depositary (NSD) ensures the settlements of transactions carried out at MSE. From the total number of companies registered at MSE, 98,9% are admitted in the same time at NSD.

Thus, all transactions performed at MSE were processed in the settlement period (T+3, without using the sources of the Fund of National Securities Depositary Participants. The Fund of NSD Participants, created in order to ensure the settlements, constituted 1,5 mil.lei at the end of 2006 as compared to 1,2 mil.lei at the beginning of the reporting year.

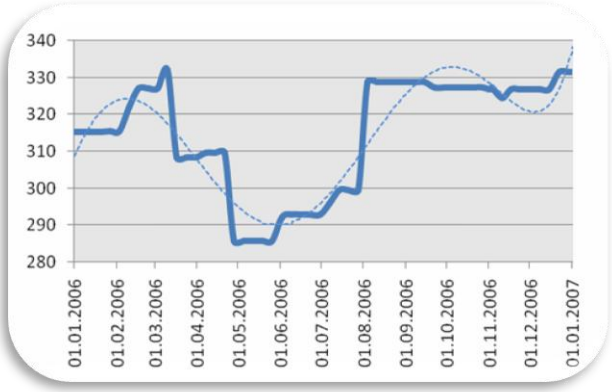
**Table 1 Financial-economic indicators of Moldova Stock Exchange**

| Indicators of MSE | 2005 | 2006 |
|---|---|---|
| Share capital, lei | 500 000 | 500 000 |
| Supplementary capital, lei | 5 820 | 11 640 |
| Withdrawn capital, lei | (12 820) | (25 640) |
| Equity, lei | 602 569 | 655 817 |
| Sales income, lei | 865 430 | 1 419 704 |
| Cost of sales, lei | 823 491 | 812 515 |
| Gross income, lei | 41 939 | 607 189 |
| General and administrative expenses, lei | 579 456 | 588 037 |
| Result from operational activity, lei | (510 736) | 30 762 |
| Result from investment activity, lei | 14 583 | 26 608 |
| Net profit of the current year, lei | (490 046) | 60 248 |

## Stock Exchange Index CNVM

At 01.01.2006 stock exchange index CNVM-32 constituted 315,19 points, and at the end of the year - 331,52 points, registering an increase of 16,33 points during the year. In the analyzed period the index attained a maximum level of 331,98 points (10.03.2006) and a minimum level of 285,66 points (28.04.2006).

**Figure 3 Evolution of Stock Exchange Index CNVM**




Prices of shares of 32 issuers included in the index portfolio registered a non-significant increase.

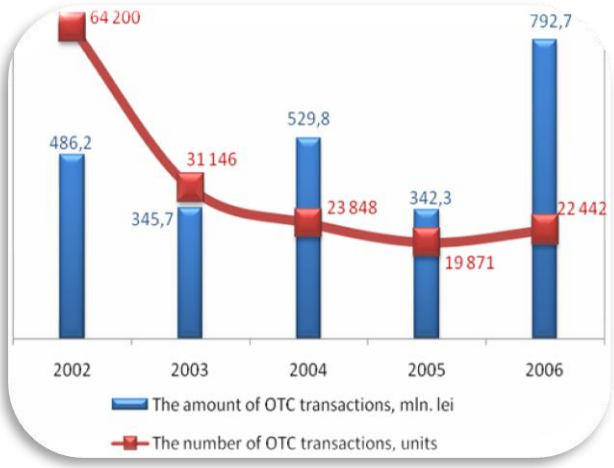
In the conditions of a low level of market liquidity and a reduced amount of free floating shares, it appeared the necessity to operate some changes to the content and criteria of calculation of the index as well as permanent adjustment to the new framework and tendencies of the market.

In order to increase the level of representativity and transparency of operations carried out on the secondary market, NSC adopted the Resolution nr.71/5 from 28.12.2006 regarding the Way of calculation of the National Securities Commission stock exchange index, the portfolio of which includes 24 securities issuers.

## OVER-THE-COUNTER MARKET

In 2006 on the over-the-counter market there were carried out 22442 transactions with securities for the total amount of 792,7 mil.lei. In comparison with the previous year the amount of transactions on the OTC market increased by 450,3 mil.lei.

**Figura 4 Transactions on the over-the-counter market**

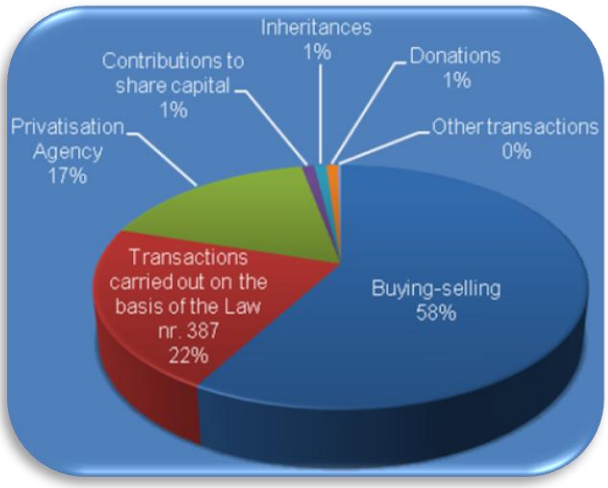



Total number of transactions carried out on the OTC market during the current year increased by 2571 units.

As result of examination of data registered for 2006 it is observed that buying/selling transactions have the biggest weight in the total amount of transactions – 58,3%, followed by transactions carried out with the participation of the Privatization Agency – 17,1%.

Figure 5 Structure of transactions on the OTC market

| Type of transaction | Amount, mil. lei | Weight, % |
|---|---|---|
| Buying-selling | 461,7 | 58,3 |
| Transactions carried out on the basis of the Law nr. 387 | 171,1 | 21,6 |
| Privatization Agency | 135,4 | 17,1 |
| Contributions to share capital | 8 | 1,0 |
| Inheritances | 7,5 | 0,9 |
| Donations | 7,2 | 0,9 |
| Other transactions | 1,7 | 0,2 |
| **TOTAL** | **792,6** | **100** |



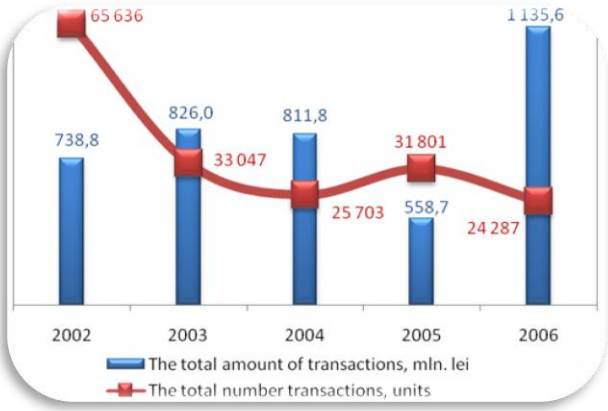

The increase in 2006 of the amount of transactions till 792,7 mil.lei is determined by a number of transactions of big amounts as:

- January – transaction with securities of JSC „Glass Container Company" (close-end type) for the amount of 97,0 mil. lei;
- February – transaction of buying-selling securities of JSC „Voxtel" (close-end type) for the amount of 129,3 mil. lei;
- April – transaction of buying-selling securities of JSC „Tracom" (open-end type) for the amount of 48,6 mil. lei;
- may – transaction of buying-selling securities of CB „Eximbank" for the amount of 202,8 mil. lei (close-end type);
- November – transaction of buying-selling through investment trial of securities of JSC „Moldova-Tur" (open-end type) for the amount of 28,4 mil. lei;
- December – transaction of buying-selling securities of JSC „Lemi-Invest" (close-end type) for the amount of 38,6 mil.lei.

Total amount of the mentioned transactions stood at 554,68 mil.lei or 70% from the total amount carried out on the OTC market.

Figure 6 Total number and amount of transactions

In 2006 the total amount of transactions carried out on the internal securities market attained the highest value. Thus, taking into consideration the results of activity of both securities market segments (stock exchange and OTC market) it is observed that in 2006 there were carried out 24287 transactions for the total amount of 1,136 bil.lei. It should be mentioned that the total amount of transactions increased by 577,1 mil.lei as compared to the figure from the previous year.




Evolution of the amount of stock exchange and OTC transactions in the period 2002-2006 shows the dominating position of the amount of OTC transactions in comparison with stock

exchange transactions. Exception is the year 2003, when stock exchange transactions have exceeded OTC transactions with 134,7 mil.lei due to the transaction with securities of JSC „Vitanta-Intravest" (actually JSC "Efes Vitanta Moldova Brewery") for the amount of 167,6 mil.lei.

During the reporting year there was maintained the same tendency. Thus, the amount of OTC transactions exceeded that one of stock exchange transactions by 449,7 mil.lei, and the weight in the total amount of transactions represents 69,8% for OTC market and 30,2% for stock exchange market.

In 2006 there was observed a significant increase of the demand for shares of commercial banks, being carried out 609 transactions for the total amount of 387,1 mil.lei. The total amount of transactions with securities of commercial banks has increased in 2006 in comparison with the period 2002-2005 (Table 2). This fact was determined by transactions with securities of CB „Eximbank" JSC and CB „Moldova-Agroindbank" JSC, the total amount of which stood at 335,2 mil.lei (86,6%) from the total amount of transactions with securities of commercial banks carried out in 2006.

**Table 2 Transactions with securities of commercial banks**

| | Transactions with banks' shares, mil. lei | Weight in the total amount of transactions, % |
|---|---|---|
| **2002** | 185,8 | 25 |
| **2003** | 56,8 | 7 |
| **2004** | 83,1 | 10 |
| **2005** | 126 | 23 |
| **2006** | 387,1 | 34 |

Shares of commercial banks are in the top of securities that have market prices higher than par value. Thus, market price of shares of CB „Victoriabank" JSC exceeded by 16,8 times their par value, shares of CB „Banca de Economii" – by 6,2 times and shares of CB „Moldova-Agroindbank" JSC – by 5 times (Appendix 2).

## TRANSACTIONS CARRIED OUT WITH PARTICIPATION OF FOREIGN INVESTORS

In 2006 on securities market there were registered 322 transactions of buying and 77 transactions of selling securities performed by non-residents. The total amount stood at 495,1 mil. lei for buying transactions and 385,9 mil.lei for selling transactions. These are the highest figures registered on securities market in the period 2000-2006 for buying and selling transactions.

Evolution of transactions carried out by non-residents in the period 2000-2005 shows the dominance of buying transactions as compared to selling transactions, excepting 2004, when the amount of selling transactions exceeded the amount of buying transactions with 7,3 mil.lei.

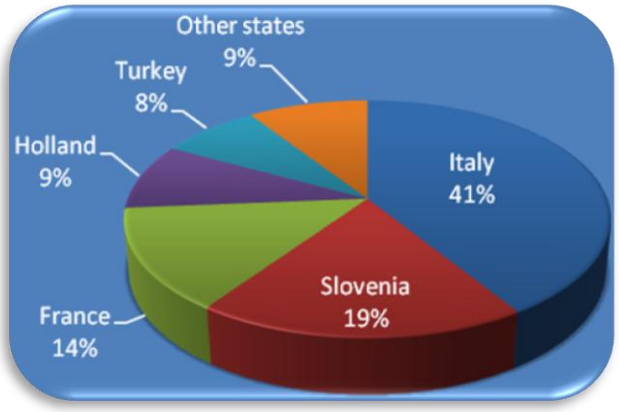
This tendency held out in 2006 too. Thus, the amount of buying transactions exceeded the amount of selling transactions by 109,2 mil.lei (28,3%). Big transactions were performed with shares of CB „Moldova-Agroindbank" JSC – 122,4 mil.lei (investors from Slovenia and Netherlands), JSC „Ciment" – 68,8 mil.lei (investor from France) and CB „Eximbank" JSC – 202,8 mil.lei (investor from Italy).

During the reporting year there was performed a significant number of transactions with shares of commercial banks, from which 69 buying transactions for the amount of 344,3 mil.lei and 14 selling transactions for the amount of 328,3 mil.lei. In comparison with the previous years 2004 and 2005, the amount of buying transactions increased by 315,0 mil.lei and by 311,3 mil.lei due to transactions with securities of CB „Eximbank" JSC and CB „Moldova-Agroindbank" JSC. The total amount of these transactions represented 95,7% from the amount of buying transactions of banks' shares with participation of foreign investors.

On the first place there are investors from Italy, who made the highest amount of investments on the secondary market during 2006. Thus, Italian investors have bought the whole additional issue (100%) of CB „Eximbank" JSC for the amount of 202,8 mil.lei at the price 3119,91 lei per share that is three times higher than the par value of one share.

Investors from Italy are followed by investors from Slovenia, who made transactions of buying securities for the amount 93,4 mil.lei (CB „Moldova-Agroindbank" JSC) . In 2006 investors from France carried out 3 transactions of buying securities of 2 issuers in the total amount of 69,0 mil.lei - „Ciment" (68,8 mil.lei) and „Inlac" (0,2 mil.lei).

**Figure 7 Home state of foreign investors**




Investors from Netherlands performed 8 transactions for buying securities in the total amount of 44,8 mil.lei of the following issuers: CB „Moldova-Agroindbank" JSC (29,3 mil.lei), „Exim Asint" (1,3 mil.lei) and „Moldcell" (14,2 mil.lei). Investors from Turkey carried out 2 transactions of buying shares of JSC „Lemi Invest" for the total amount of 38,6 mil.lei.

In 2006 investors from Romania performed 8 transactions of buying-selling 3122 shares in the amount of 1,5 mil.lei, in comparison with 0,3 mil.lei in 2005. Investors from Russia performed in 2006 on the secondary market 37 transactions for buying-selling 64447 securities in the amount of 0,3 mil.lei, from which 21 transactions of buying 45069 securities in the amount of 0,1 mil.lei. Additional information regarding transactions with participation of foreign investors is presented in Appendix 3 and 4.

# PROFESSIONAL PARTICIPANTS

At the end of 2006 on the market there were participating 73 professional participants, from which:

- 11 – broker companies;
- 1 – dealer;
- 14 – independent registrars (two independents registrars are in the liquidation process);
- 6 – audit companies;
- 5 – appraisers;
- 1 – underwriting company;
- 1 – Stock Exchange;
- 1 – National Securities Depositary;
- 11 – commercial banks that perform one or more types of professional activity on securities market;
- 6 – investment funds;
- 11 – investment managers;
- 5 – depositaries of investment funds.

Three joint stock companies keep by themselves the register of shareholders and have licenses for registry keeping activity.

## BROKER ACTIVITY

At the beginning of 2006 on the securities market of the Republic of Moldova there were acting 26 professional participants that hold licenses for broker activity on securities market. During this year, on the basis of requests presented by LLC „Broker-Service" and LLC „Real-Manager" there were withdrawn the licenses to perform broker activity on securities market.

The biggest amount of transactions was performed by LLC „Iuventus" – 284,7 mil.lei, followed by CB „Moldova-Agroindbank" JSC - 146,1 mil.lei.

On the OTC market there was registered a non-significant amount of transactions – 80 thousand lei, that is by 1,3 mil.lei less than the amount performed in 2005. During the reporting period transactions on the OTC market were carried out by CB „Oldex" JSC and SVM „Iuventus-DS" LLC, all of them being performed with securities of closed-end companies.

The average amount of commissions received by brokers for their services constituted at the end of the year around 1%.

In accordance with financial and specialized reports presented at 31.12.2006 all broker companies have respected the requirements for the amount of minimum own capital and guarantee fund.

## DEALER ACTIVITY

At the end of 2005 on securities market there were acting 15 professional participants who performed dealer activity, from which 12 commercial banks and 3 non-banking companies. The total amount of transactions carried out by bank dealers represented 25,8 mil.lei, from which 25,2 mil.lei – stock exchange transactions.

Acting as dealer, CB „Investprivatbank" JSC performed the biggest amount of transactions with securities – 24,3 mil.lei, followed by CB „Energbank" JSC – 707,8 thousand lei and CB „Mobiasbanca" JSC – 314,7 thousand lei.

On the OTC market dealers performed transactions for the amount of 623,2 thousand lei, especially with securities of close-end companies and repurchasing transactions.

## INDEPENDENT REGISTRARS

At the end of 2006 on the securities market of the Republic of Moldova there were acting 14 independent registrars who were performing the registry keeping activity, and two of them have opened branches.

In accordance with the provisions of Regulation on granting and withdrawing licenses for activity on securities market, approved by the Decision of the National Securities Commission nr.12/1 from 28.10.1999, there were established compulsory requirements regarding the minimum amount of own capital necessary to perform registry keeping activity- 450 thousand lei, depositary activity – 300 thousand lei and to create the fund of guarantee – 30% from the minimum level of equity established by NSC. The established requirements are respected by all of 14 independent registrars.

## INVESTMENT FUNDS IN THE REORGANIZATION PROCESS

During 2006 on the market there were acting 6 investment funds in the reorganization process (liquidation of the activity of investment funds as professional activity on the securities market): FINN „Agrofond" JSC, FINN „Dividend" JSC, FINN „Mandatar" JSC, FINN „Asito-Invest-Prim" JSC, FINN „Real-Invest" JSC and FINN „Daac-Hermes" JSC.

In accordance with the Law nr.54-XVI from 28.04.2005 regarding changes and amendments to the Law on investment funds and decisions of general meetings of shareholders, investment funds should repurchase their own shares previously placed.

During the reporting year, the 6 funds that are in the process of reorganization have finished the procedure of collecting requests and have received the permission to start the repayment of shares in accordance with the collected requests. Within the procedure of collecting requests, repurchasing agents have collected more than 39 thousand requests for 16,9 mil.shares which represent somewhat more than 8% from the total number of shares issued

by the respective funds. For the repurchase of the respective shares there were paid around 12,8 mil.lei.

Additional information regarding the procedure of shares repurchasing by the investment funds that are in the reorganization process may be found in Appendix 5, Appendix 6 and Appendix 7.

### INVESTMENT FUNDS IN THE PROCES OF FORCED LIQUIDATION

In 2006 continued the procedure of liquidation of 17 investment funds which are under forced liquidation according to the decisions of the National Securities Commission (Appendix 8).

Four investment funds in the process of forced liquidation have finished the procedure of alienation of assets, after which there were distributed funds and there were cancelled the funds from the State Register of enterprises and organizations.

In 2006, as result of selling the assets of investment funds there were alienated 18 lots of shares and share-parts for the amount of around 3,2 mil.lei. As result of placing funds accumulated on the deposit accounts, investment funds hold around 23,4 mil.lei.

Additional information regarding the liquidation value of investment funds in the process of forced liquidation as on 31.12.2006 is presented in Appendix 8.

### INVESTMENT FUNDS IN THE PROCESS OF SELF-LIQUIDATUION

According to the decisions of general meetings of shareholders, in the period 2004-2005 9 investment funds have initiated the procedure of self-liquidation (Appendix 9).

As result of selling the assets of the funds, during 2006 there were alienated 89 lots of shares and shares of participation in the capital of limited liabilities companies for the amount of around 39,4 mil.lei. As result of investing funds accumulated on the deposit accounts, investment funds in process of liquidation hold funds in the amount of 73,7 mil.lei.

As result of finishing the period scheduled for liquidation procedure there was approved the final act of distribution of funds and shares from the investment portfolio of FINN „Viitorul - Tău" JSC.

Additional information regarding the liquidation value of investment funds in the process of forced self-liquidation as on 31.12.2006 is presented in Appendix 9.

### ACTIVITY OF INVESTMENT MANAGERS

At the end of 2006 on securities market there were acting 4 investment managers: „Codru" JSC, „F.O.N.D." LLC, „Europa-Trust" LLC and „Econ-Renaştere" LLC.

At the beginning of 2006 investment managers owned 385438 accounts and their portfolios included 752 stocks of shares of joint stock companies and share-parts of limited liability companies. During the year there were cancelled 2355 agreements for investment management with „Codru" JSC and „F.O.N.D." LLC. Activity of „Europa-Trust" LLC and „Econ-Renaştere" LLC was suspended due to the fact that there have not been retrieved the registers of the clients of these companies.

At the end of 2006 investment managers owned 383083 accounts, and their portfolios included 728 stocks of shares of joint stock companies and share-parts of limited liability companies, registering a decrease by 24 units as result of canceling the agreements for investment management services of companies' equity.

Within the procedure of self-liquidation of investment manager „Mobiastrust" LLC, there were cancelled 2558 agreements of investment management of equity and have been repaid the amount of 322413 lei to its clients.

At the end of 2006 licenses for investment management activity were held by CB „Banca Sociala" JSC and managing companies of investment funds that are in the reorganization process („Real-Econ" JSC, „AD-Manager" LLC, „Gest-Capital" LLC, „Daac-Prom" LLC, „Manager-Prim" LLC, „Vertexia Manager" LLC and „Direct-General" LLC).

### OTHER TYPES OF PROFESSIONAL ACTIVITY

On the securities market there are functioning 6 audit companies based on licenses granted by NSC to perform audit activity on securities market.

According to the specialized and financial reports at 31.12.2006 all audit companies have accomplished requirements regarding the minimum own capital that should be 100 000 lei. In the same time there were respected the conditions and requirements regarding the number of employees owning certificates of qualification that ensure the right to act on securities market.

In 2006 on securities market there were acting 5 companies for appraising securities and assets referring to them. All appraising companies have respected the requirements for own capital and guarantee fund.

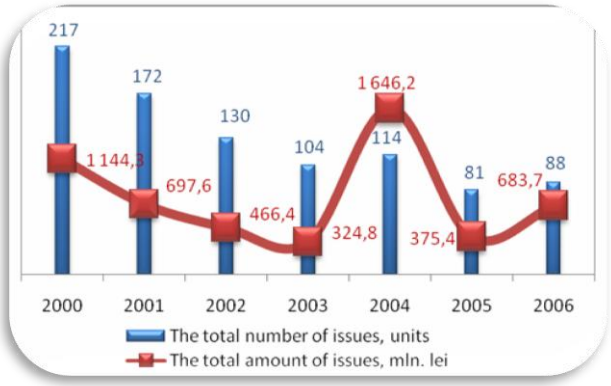
At the end of 2006 8 professional participants owned licenses for developing the activity of investment consulting.

# ISSUERS AND ISSUES OF SECURITIES

Evolution of the primary securities market of the Republic of Moldova started with the process of mass privatization of state enterprises and their reorganization in joint stock companies in the period 1995-1999. The simplified legal framework regarding the requirements for joint stock companies determined the creation of a significant number of joint stock companies.

The tendencies of the last years, excepting 20042, show a decrease of the amount of securities issues due to some of the following reasons: finishing the execution of investment plans by investors that have bought the share of the state in the privatization process, concentration of controlling amount of shares to one person or a group of affiliated persons, thus being reduced the attractiveness to make investments both on primary and secondary securities market.

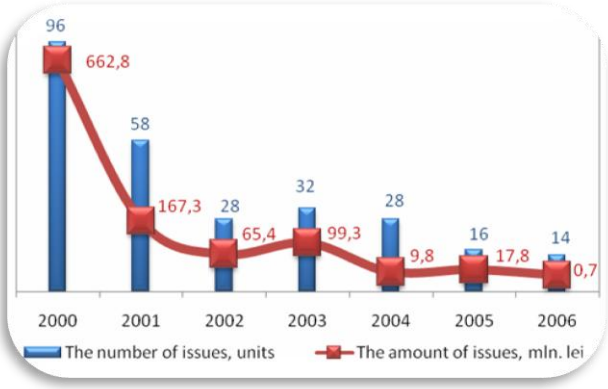
**Figure 8 Issues of securities**




At the end of 2006 the total number of joint stock companies that have registered their constitutive issues stood at 3700 companies and the total amount of issues was 18,5 billion lei from which 12,3 billion lei constitutive issues and 6,2 billion lei additional issues.

In 2006 National Securities Commission registered 88 securities issues (14 constitutive and 74 additional) for the total amount of 683,7 mil.lei. It is observed a significant increase of the amount of issues registered in 2006 in comparison with the amount from 2005 (375,4 mil.lei).

**Figure 9 Constitutive issues**



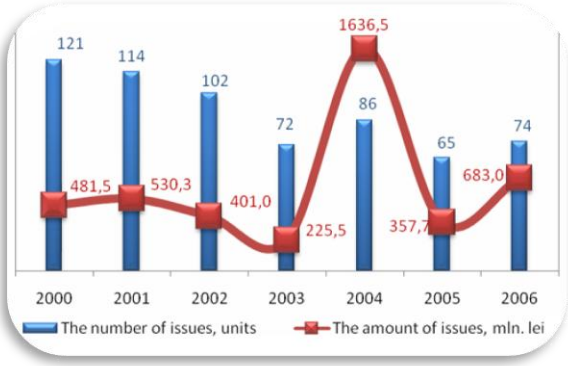

After a spectacular increase in the period 1995-1997, generated by the registration of new-created joint stock companies, during the last years there appeared the decreasing tendency of the number of constitutive issues (first issues performed at creation of the company). Year 2006 is not an exception in this respect: it is observed a decrease of the number of consti-

[2] Increase of the amount of issues in 2004 in comparison with 2003 is due to the issues performed by commercial banks and companies from energy sector (85% from the total amount of issues) that may not be considered a representative factor for the tendency of primary securities market evolution.

tutive issues – 14 in comparison with 16 registered in 2005, as well as the amount of these issues – less than 0,7 mil.lei in comparison with 17,8 mil.lei in 2005.

The list of joint stock companies that performed constitutive issues in 2006 is presented in Appendix 10.

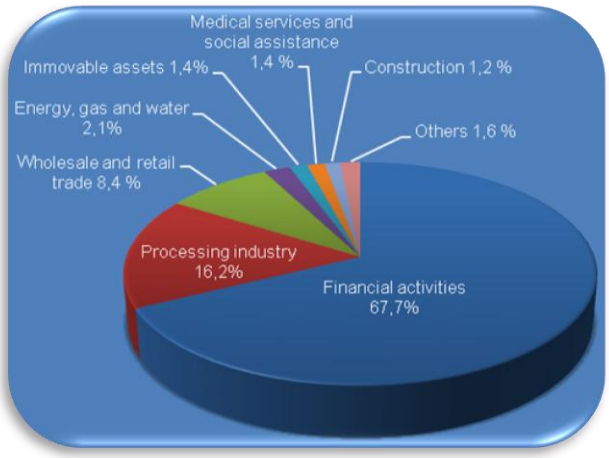
**Figure 10 Additional issues**




An efficient way of financing joint stock companies is additional issues of securities. In 2006 joint stock companies performed additional issues for the total amount of 683 mil.lei or by 1.9 times higher than in 2005. The highest amounts of additional issues of securities in 2006 were registered in august (202,7 mil.lei) and December (311,2 mil.lei).

The list of joint stock companies that performed additional issues in 2006 is presented in Appendix 11.

**Figure 11 Issuers fields of activity**




Making an analysis of the fields of activity of joint stock companies that accomplished additional securities issues in 2006, it is observed that:

- 67,7 % are companies that perform financial activities (especially due to the issues of CB "Eximbank" JSC, CB "Unibank" JSC and Banca Comercială Română Chişinău);
- 16,2 % – processing industry (the most significant issues were accomplished by „Acorex Wine Holding" JSC, JSC „Produse cerealiere", JSC „Protos" and JSC „Tehnovin");
- 8,4 % - wholesale and retail trade; car and motorcycle repair; personal and home appliances repair (it should be mentioned the issues performed by JSC „Aureola", ÎM „Accent Electronic" JSC; ÎM „Valmi Automotive Moldova").

In comparison with 2005 it is observed an increase of the amount of investments achieved in such branches of the national economy as financial activity (by 343,7 mil.lei or 33,2%) and processing industry (by 37,8 mil.lei or 20,3 %).

In the same time there was registered a decrease of 28,4 mil.lei of the amount of issues performed by joint stock companies that act in the field of retail and wholesale trade.

During the reporting year through additional securities issues there were attracted various types of investment resources:

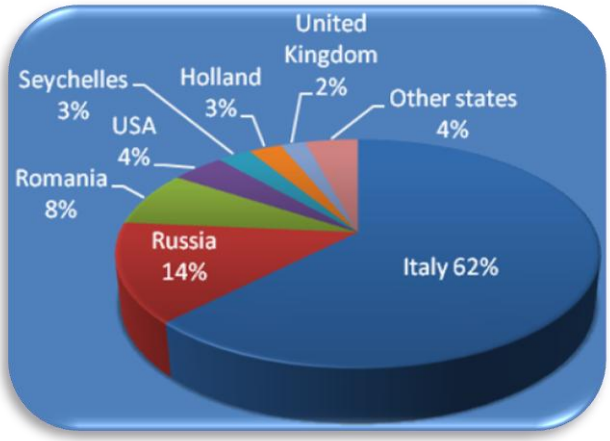
- money – 534,0 mil. lei (78,2 %);
- capitalization of investments performed in accordance with agreements of buying-selling state quotas of participation – 55,3 mil. lei (8,1 %);
- own capital – 43,9 mil. lei (6,4 %);
- non-monetary participations (including equity rights) – 38,6 mil. lei (5,7 %);
- conversion of debts to the state in accordance with special laws – 5,6 mil. lei (0,8 %);
- conversion of securities – 4,0 mil. lei (0,6 %);
- dividends – 1,6 mil. lei (0,2 %).

The majority of securities issues accomplished in 2006 were made by closed issuing and the most preferable were issues of shares. Thus, issuers do not use the possibility to make public offers of securities by which there is possible to attract significant amounts of resources to finance major investment projects. In the same time, it should be mentioned that during the reporting year National Securities Commission has registered 4 issues of bonds made by public offering for the total amount of 5,6 mil.lei.

It is observed that close-end joint stock companies are more active than open-end ones in the process of securities issuing. During 2006 open-end joint stock companies have accomplished 28 issues (constitutive and additional) for the total amount of 364,4 mil.lei or 53,3 % , while close-end companies have made 60 issues for the total amount of 319,3 mil.lei.

Speaking about foreign investments, there was registered an increase from 19 % (70 mil.lei) in 2005 to 75,4% (515,3 mil.lei) in 2006 from the total amount of investments attracted through securities. The list of joint stock companies that performed securities issues aimed to attract foreign capital is presented in Appendix 12.

**Figure 12 Home-state of foreign investors**




As regards to additional issues of securities with participation of foreign capital, the most significant contributions were made by the following countries: Italy (321,4 mil. lei), Russia (72,4 mil. lei), Romania (40,2 mil. lei), USA (21,8 mil. lei).

In comparison with the previous year it is observed an increase of absolute value of investments from Russia (by 70,8 mil.lei), Romania (by 28,5 mil.lei), USA (by 10,4 mil.lei), as well as the appearance of investors from Italy.

In 2006 the total amount of foreign investments stood at 515,3 mil.lei, the highest amounts of investments being made in the field of financial activity – 458,2 mil.lei or 88,9 %; in the processing industry – 36,1 mil.lei or 7 % and in retail and wholesale trade and reparations – 14,5 mil.lei or 2,8 %.

A special area of National Securities Commission activity is the process of granting licenses for reorganization of joint stock companies and operating of changes in the State Register of Securities related to denominalization, conversion, consolidation and cancellation of previously issued securities. In the reporting period 29 joint stock companies have registered changes in the State Register of Securities related to denominalization, conversion or cancellation of previously issued securities, the shares of 47 joint stock companies were excluded from the State Register of Securities and other 18 joint stock companies received the authorization for reorganization through merger, split or transformation. The number of companies that received the authorization for reorganization through transformation in limited liability companies is presented in the following table[3].

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|
| **Authorizations granted by NSC** | 14 | 13 | 11 | 7 | 12 | 8 |
| **Number of companies excluded from the State Register of Securities as result of their reorganization in limited liability companies** | 17 | 16 | 12 | 53 | 76 | 3 |

[3] Amendments to the Law on Joint Stock Companies regarding the obligation to issue the authorization for reorganization were enforced in April 2004. Previously, joint stock companies could be reorganized without receiving the authorization and for this reason the number of granted authorizations is not representative.

# ACTIVITY OF THE NATIONAL SECURITIES COMMISSION

# PREZENTATION OF THE NATIONAL SECURITIES COMMISSION

In accordance with the legislation, National Securities Commission is an autonomous authority of the public administration that undertakes regulation, supervision and control of respecting legislation on the securities market and the activity of its participants.

For this reason, National Commission is vested with the power to make decisions, grant benefits, prohibit, interfere, control and impose disciplinary and administrative sanctions.

The team of the National Commission was modified in 2006. Until April 2006, Chairman of the National Commission was Mr. Ion ROBU.

In order to achieve the objective of its activity, National Commission adopts decisions in the form of resolutions and decrees within its meetings.

Decisions of the National Commission refer to legal acts with regulatory power or individual acts. Both categories of decisions are compulsory for securities market participants.

In 2006, National Commission has assembled in 71 meetings during which have been adopted 205 resolutions and 45 decrees.

Decisions of the National Commission were published in Monitorul Oficial of the Republic of Moldova.

Some of the resolutions of the National Commission, especially those related to securities market regulation, were published in the Commission's periodical newspaper "Capital Market"

Current activity of the National Commission is performed by the Executive Direction that includes 5 specialized departments, Advisors of the Chairman, Internal Audit Division, Division of Foreign relations and European Integration and 3 regional agencies. The total number of functions and staff of the Executive Direction includes 78 employees. Organizational structure of the Executive Direction is presented in Appendix 13.

At the end of the financial year 2006 National Securities Commission had the following team:

**Dumitru URSU**
Chairman of the National Securities Commission

**Vasile PENTELEI**
Vice chairman of the National Securities Commission

**Nadejda STANCIU**
Member of the National Securities Commission

**Ghenadie CIOBANU**
Member of the National Securities Commission

**Iurie ŢÎRDEA**
Member of the National Securities Commission

## PRIMARY OBJECTIVES OF THE NATIONAL SECURITIES COMMISSION

Primary goals of the National Commission are the following:

- consolidation of securities market stability and its continuous further development;
- improvement of the legal framework and infrastructural model of securities market;
- creation of conditions ensuring the protection of the investors' rights and interests;
- stimulation of the access of investments on securities market, development of advanced investment schemes and corporate governance schemes on securities market;
- insurance of transparency of the market, disclosure of information and access to information;
- supporting loyal competition on the securities market and creation of optimal conditions for renders of financial services on the securities market;
- diminishing of premises for systemic crises and illegal practices, frauds and manipulations on securities market.

One of the major objectives of National Commission relates to increasing the activities of international cooperation. In this respect, the activities of the National Commission are directed toward:

- continuation of the process of adjusting the securities market legislation of the Republic of Moldova to the communitarian aquis;
- becoming member of the International Organization of Securities Commissions (IOSCO);
- integration of securities market of the Republic of Moldova in the European and international securities market;
- intensification of cooperation with specialized international bodies and partners from other states.

# ACTIVITY OF THE NATIONAL SECURITIES COMMISSION

## REGULATORY ACTIVITY

### LEGISLATION

In 2006 the legislation on securities market was consolidated and improved. Main objectives followed by National Commission, especially adjustment of internal legislation to the legislation of European Union in the field of securities market involve changes in the existing legal framework of securities market.

In this respect, National Commission drafted changes and amendments to 3 basic laws of securities market: Law on the National Securities Commission, Law on joint stock companies and Law on securities market.

The draft of the Law on modification and filling in of the Law on National Securities Commission was elaborated in the context of the Disposition of the Government of the Republic of Moldova nr. 47-d from 22 may 2006 and the Order of Prime-minister nr. 1417-323 from 12 may 2006, in order to create the unified authority of authorization, regulation and supervision of nonbank financial market.

Creation of the new regulatory body is also a component of the regulatory reform of public administration and has as main objective creation of necessary conditions to promote a unique state policy on the nonbank financial market.

The draft of the Law on modification and filling in of the Law on Joint Stock Companies was elaborated in order to update the legal and regulatory framework, to improve business climate and attract foreign investments, to protect minority shareholders, to establish an efficient system of disclosure of information by joint stock companies.

The draft of the Law on modification and filling in of the Law on Securities Market was elaborated in order to improve the legal and regulatory framework of the activity of professional participants on securities market, issuing and circulation of securities, protection of investors' interests on securities market.

Revision of the Law on National Securities Commission, Law on Joint Stock Companies and Law on Securities Market was also determined by the necessity to conform to the Law nr.235-XVI from 20.07.2006 regarding the main principles of regulation of entrepreneurial activity.

In 2006 National Commission has also drafted amendments to some legal acts as Code of administrative contraventions, law on state tax, Civil Code, Law on investment funds, Law on saving and loan associations of citizens, Law on registers, Law on non-government pension funds, Law on licensing some types of activity etc.

The necessity to draft amendments to the respective laws was determined by the necessity to conform the existing legislation to the Draft of the Law on modification and filling in of the Law on National Securities Commission aimed to create a single regulatory and supervisory authority of the nonbank financial market and its participants.

National Securities Commission has drafted amendments to Civil Code, Law on guarantee and Law on licensing some types of activity aimed to ensure coordination between provisions of existing legal acts and new amendments and filling in to the Law on securities market and Law on joint stock companies.

### NORMATIVE ACTS OF NSC

In 2006 there was drafted and approved the Instruction regarding the steps of reorganization of joint stock companies (Resolution of NSC nr. 43/9 from 03.08.2006 regarding the approval, change and abrogation of some normative acts, Monitorul Oficial nr. 134-137/464 from 25.08.2006).

The approval of the respective Instruction was aimed to gather into a single document the provisions of the legislation regarding the reorganization of joint stock companies and the establishment of mechanisms of implementation and execution of legislation requirements.

The expected effect of the Instruction approval consists in the improvement of the reorganization process of joint stock companies in order to avoid the errors and deviations from current legislation in the reorganization process.

In the same time, according to the respective Resolution there was modified the Resolution of NSC nr. 76/5 from 29.12.1997 regarding the approval of the Instruction on the way of issuing and state registration of securities and was revoked Resolution of NSC nr. 76-6 from 29.12.1997 regarding Methodical indications on changes of securities in case of reorganization of joint stock companies.

Also, during 2006 there was drafted and approved the Code of ethics and conduct for National Securities Commission staff.

Approval of the respective Code is aimed to establish the requirements of ethics and conduct for staff of the Executive Division of the National Commission, to ensure the qualitative execution of working functions and in accordance with the existing legislation.

In 2006 National Commission approved 27 normative regulatory acts in order to accomplish the regulatory function on securities market and to elaborate the necessary legal framework (Appendix 14).

## LICENSING OF PROFESSIONAL PARTICIPANTS

### LICENSING ACTIVITIES

In 2006 National Commission has granted 11 licenses for different types of professional activity:

- 6 – activity of investment funds;
- 1 – clearing activity;
- 1 – stock exchange activity;
- 1 – self regulation activity;
- 1 – activity of audit of professional participants;
- 1 – activity of evaluation of securities and assets referring to them.

In the same period National Commission has withdrawn 4 licenses for activity on the securities market, from which 3 licenses were withdrawn at the request of professional participants (SRL „Broker-Service", SRL „Finmarket-Service", SRL „Real-Manager"), one license as a result of expiry of the validity period (SRL „Passim").

Other four licenses were suspended by the National Commission for some time periods, as follows:

- Licenses for the activity of securities valuation of SRL „Finmarket-Service" and SRL „Anevam-Consulting" were suspended in accordance with their request;
- Licenses for broker activity of JSC „Oldex" and JSC „Fincom" were temporarily suspended for admitted contraventions.

### PROCEDURE OF LIQUIDATION OF PROFESSIONAL PARTICIPANTS

In 2006 there was ended the procedure of liquidation of three types of professional activity and the companies performing this type of activity were excluded from the State Register for licenses granted, suspended and withdrawn:

- OAI „Passim-MF" SRL (activity of investment management);
- JSC „Sibila – DF" (depositary activity);
- OAI „Manager Capital Grup – MF" SRL (activity of investment management);
- „Finmarket-Service" SRL (underwriting activity).

At the end of the financial year 21 professional participants were in the process of liquidation, excepting investment funds and management funds in the process of liquidation (Appendix 15).

Office administrators and representatives of the National Commission that are included in the liquidation commissions of investment funds and management companies participated in the process of forced liquidation of 17 investment funds and in the process of voluntary liquidation of 9 investment funds and 1 management company.

## SUPERVISION AND CONTROL OF SECURITIES MARKET

### SUPERVISION AND CONTROL OF FINANCIAL INTERMEDIARIES AND MARKET OPERATIONS

In 2006 employees of the National Commission have performed 15 complex controls of professional participants that offer services of financial intermediation on the market, namely:

- 3 commercial banks (CB „Victoriabank" JSC, CB „Banca de Economii" JSC, CB „Mobiasbancă" JSC);
- 5 independent registrars („Intermedia-Grup" LLC, „Registru-Corect" JSC, „Registrator Centru" JSC, „Real-Registr" JSC and „D-Nica" JSC);
- 5 broker companies (CB „Fincom" JSC, SVM „Iuventus-DS" LLC, CB „M-Invest" LLC, LLC „Passim" and „Daac-Invest" LLC);
- one investment management company – OAI „Gest-Capital";
- Moldova Stock Exchange.

As result of the performed controls it was established that most of the legislative contraventions were performed by professional participants for whom National Securities Commission has issued 15 Resolutions for application of the following actions:

- suspended the license of 2 professional participants (CB „Oldex" JSC and „Fincom" JSC);
- prescribed elimination of contraventions for 14 professional participants within the established period of time;
- gave warnings to 13 professional participants regarding neadmition in the future of the following deviations;
- suspended/canceled qualification certificates to act on securities market to 4 managers of professional participants (JSC „Oldex", JSC „Fincom", LLC „Passim" and LLC „Real-Manager").

In the same period there were performed thematic and documentary investigations aimed to check the transactions performed on the securities market with securities of 34 issuers and one thematic control regarding the analysis of the information about affiliated persons of professional participants on securities market. As result of these investigations there were issued:

- 2 Resolutions regarding suspension of qualification certificates for the right to act on the securities market (stakeholders of RI „Sibila" JSC and „Registru" JSC);
- 10 decrees as follows:
  - 1 decree regarding suspension of clearing and settlement activity;
  - 6 decrees regarding blocking the personal accounts in the register of securities owners;
  - 1 decree regarding the suspension of securities;
  - 1 decree regarding deblocation of personal accounts;
  - 1 decree regarding abrogation of the resolution to suspend circulation of securities;
- 2 warnings regarding deviations from legislation;
- 9 administrative sanctions;
- 1 appeal to the Center for Economic Crimes and Corruption, aimed to determine malpractices in the activity of stakeholders of CB "Oldex" JSC in its transactions with securities of JSC "Ciment".

### SUPERVISION OF INVESTMENT FUNDS

In the analyzed period National Commission has undertaken some measures aimed to improve the activity of collective investments undertakings such as initiating the drafting of the Law on collective investment undertakings, as well as adoption and modification of some normative acts regarding the activity of investment funds.

In the same time, National Commission has undertaken special activities aimed to make more efficient the procedure of investment funds reorganization as well as the procedure of liquidation of investment funds and management companies. In this respect there were realized the following activities:

- there were amended normative acts of the National Commission that regulate the procedure of liquidation of investment funds;
- there were undertaken special measures in order to inform shareholders on the situation of investment funds in the process of reorganization;
- in common with the representatives of local public administration there was supervised and monitored the process of collecting requests of shares repurchase from the shareholders, as well as the process of disclosing information through local mass-media;
- there were organized visits in the regions of the country in order to collect the requests of shares repurchase from the shareholders;
- there was supervised the activity of repurchasing offices and there were performed 67 controls;

- there were organized 6 meetings with representatives of investment funds that were informed about measures that should be undertaken in the reorganization process;
- there was organized and supervised the procedure of collecting the requests of shares repurchase from the shareholders through the help of mobile centers. As result there were collected requests in 40 places in which investment funds have no opened repurchasing centers;
- there were organized 25 TV shows, radio broadcasts and interviews (Moldova 1, Euro-TV), in order to inform population about reorganization and liquidation of investment funds and management companies;
- there were published 22 informational articles about the procedure of reorganization of investment funds;
- there were examined 95 registers with the requests of shares repurchase in order to avoid errors in the process of their filling in and to avoid situations of inobservance of reorganization procedures;
- there were offered permissions to pay money to shareholders for all investment funds;
- there were performed 14 controls of the process of money paying through commercial banks;
- there were verified the activity of managing companies in accordance with the provisions of art.68 of the Law on securities market;
- there were performed 5 investigations regarding observance by some management companies of their working program.

### MONITORING THE GENERAL MEETINGS OF SHAREHOLDERS OF INVESTMENT FUNDS

During 2006 the 6 investment funds in the process of reorganization have performed general meetings of shareholders.

Consultants and responsible persons from the National Securities Commission have participated as observers and have monitored the procedure of the organization of general meetings of shareholders of the investment funds.

All investment funds, within the general meetings of shareholders have informed their shareholders about the process of funds reorganization and the results of the procedure of collecting the requests of shares repurchase.

### SUPERVISION OF ISSUERS AND CORPORATE RELATIONS

In 2006 in order to supervise and control the activity on securities market and to protect the investors' and public interests, there were received 1098 reports of the issuers and there was monitored the activity of 912 open-end joint stock companies that have presented their reports in the due time.

In the same time, there were monitored 749 announcements of joint stock companies in mass media. Within the respective examinations there were established a number of violations of

provisions of the legislation regarding securities market admitted by issuers: non-presentation of reports; depreciation of net assets value under the level of share capital during 2 years; nonobservance of requirements regarding disclosure of information; nonobservance of insuring the minimal level of share capital.

An important aspect in creating the favorable investment climate is ensuring public information regarding supervision of observance by open-end joint stock companies of legislation requirements regarding publishing of information in press about their securities and financial-economic activity.

Non-presenting of annual reports and non-publishing them in mass media creates an informational vacuum on securities market and distort at macroeconomic level the result of activity of joint stock companies.

As result of monitoring information from reports of open-end joint stock companies, there were applied administrative sanctions to stakeholders of 163 companies that did not present annual reports (excepting 103 companies the banking accounts of which were blocked in 2003 for similar contraventions). There were apprised 379 companies for non-presentation of the publishing copy of annual report in the responsible body as stipulated in the statute. As result 35 companies have presented the annual report and 161 companies have presented the publishing copy of annual report in press.

According to surveys, about 37 of joint stock companies that did not present reports are insolvent or in liquidation process and about 82 – do not perform their activity.

Afterwards, National Securities Commission has adopted the decision to request annual reports from 128 joint stock companies, and as a result of nonobservance the established requirements, there were suspended bank operations in the current accounts of 116 companies. After solving the problem, there were released bank accounts of 20 issuers.

Also, there were found 126 companies that allowed depreciation of net assets below the level of share capital for more than 2 years. The respective companies were appraised regarding the necessity to correlate the value of net assets with that of share capital, but due to the fact that the majority of them do not possess the necessary potential to fulfill the respective requirement or do not accept dissolution or reorganization of the company, the share of companies that conform their activity to legislation requirements is too low (only 10 companies have informed NSC regarding the measures that they have undertaken). Taking into account the frequency of these contraventions, NSC proposed to modify the provisions of the legislation in order to offer a larger competence to shareholders in solving this situation. In the same time, it was taken into consideration the offering of additional rights to minority shareholders.

In the same time, as result of additional monitoring of current legislation requirements regarding the quote of treasury shares there were apprised 36 joint stock companies. Further, due to non-conformation there were suspended bank operations on current accounts of 6 companies.

In order to ensure observance of requirements regarding the right to vote of major stockholders that did not perform tender offer within the General Meetings of Shareholders, in 2006 there were verified 31 joint stock companies and there were appraised independent registrars and were monitored NSC resolutions regarding the respective subject. Finally there were started the procedure of bringing to book the responsible persons of 10 issuers and appraising the management bodies of 17 joint stock companies

In order to control the way of respecting the rights of shareholders in the process of general meetings of shareholders, during the year representatives of the NSC have assisted 123 general annual and extraordinary meetings of shareholders and there were analyzed at the request of shareholders data of meetings organized by 18 issuers.

Due to consultations offered to stakeholders of joint stock companies it was improved the situation regarding organizing and development of general meetings of shareholders. This fact is confirmed by the decrease of the number of shareholders requests regarding tortuously attitude within general meetings. The most frequent contraventions refer to:

- improper execution of documents for agenda of the meeting and lack of access of shareholders to these documents;
- adoption of illegal decisions and law infringements.

Also, in order to ensure observance of shareholders rights to participate at general meetings, there was monitored the process of organization and development of the meetings within the terms established for execution and publishing the adopted decisions by the press as established in the statute. In this respect, there were determined and appraised 221 companies that din not informed NSC about the general meeting of shareholders.

In order to examine the major or illegal transactions performed by stakeholders of joint stock companies, in 6 cases there were involved the justice.

In order to control the cases of nonobservance the legislation on securities market, in 2006 there were examined and solved 422 petitions and requests of public authorities. Due to the intensification of measures undertaken by NSC to inform shareholders about provisions of the legislation on securities market through television and press, the requests from public referred to equity bills invested in the privatization process, results of the company's activity, payment of dividends etc.

In this period there were appraised more than 700 joint stock companies for contraventions of legislation on corporate relations, there were made out around 108 proceedings of administrative contraventions.

### ENSURING RESPECTATION OF SECURITIES MARKET LEGISLATION

In 2006, National Securities Commission participated at 32 lawsuits, from which 5 – as claimer, 17 – as defendant, 10 lawsuits – as additional interventions. Within these records there

were formulated according to each case actions, intercessions, references and there were accomplished the necessary civil acts in accordance with the specific of each case. Also, there were formulated requests in accordance with the procedure of ordinary and extraordinary attacks.

In 2006, NSC detected 133 administrative contraventions regarding infringement of legislation on securities market. In this respect NSC has decided on application of penalties as administrative sanctions to 132 representatives of management bodies from entities regulated and authorized bevy NSC (members of councils, general directors, other stakeholders), one case of administrative contravention was relegated.

## PUBLIC INFORMATION AND TRAINING ACTIVITIES

In order to ensure transparency of securities market and inform the public regarding its activity, National Commission has drafted the Plan of information disclosure by NSC.

In accordance with the plan, there was disclosed information regarding transactions with securities daily by TV channel „EuroTV"; weekly – synthesis of information, including data regarding stock exchange index – CNVM and informative communiqué regarding decisions adopted on meetings of the National Commission; monthly – information on securities market evolution.

National Commission cooperate with different press agencies as „INFOTAG", „Info-Market", „BASA-Press", „Moldpress", „Info-Prim", „Deca-Press", „News Moldova", „Reporter.MD", „BasaMediaNet", and others, offering them operative information regarding the current situation on securities market and the most important events in market evolution.

In July 2006, National Commission has organized a press conference within which there were discussed subjects on the activity of the National Commission and the evolution of securities market in the first half of the year 2006. At this conference there have participated 8 press agencies, representatives of 3 periodicals, 2 TV channels and 1 radio channel.

Quarterly, National Commission published Informative Bulletin in which there is placed the most important information regarding securities market development and the most important activities developed by NSC.

In March 2006 in Cahul there was organized a special seminar for the management bodies of joint stock companies on the topic "Joint stock companies in the framework of corporate government".

In 2006, in order to ensure the access of the public to information, NSC has drafted the Way of receiving information from NSC.

The way of receiving information from NSC is an internal document, drafted according to the provisions of the Law on access to information and the Regulation on access to information held by NSC. Thus, solicitors of information, after presenting a model of request, get information in the required format and should pay only xerox expenses or the cost of a diskette. In case of asking for information by e-mail, this information is free of tax.

The subdivision responsible for public relations has offered more than 1300 consultations regarding reorganization/liquidation of investment funds, rights of shareholders, obligations of bodies of management of joint stock companies.

During 2006 National Commission has drafted the Guide for shareholder – publication aimed to acquaint shareholders with the basic notions regarding corporate relations, Joint Stock Company, bodies of management of the company, payment of dividends, rights of shareholders, transactions with shares etc.

There were examined and presented answers to letters and requests for information, including those submitted by the Government of the Republic of Moldova in order to execute the Order nr.1311-841 from 03.10.2005 regarding solving the problems submitted by citizens during their monthly meetings with representatives of the Government.

In accordance with the legislation, organization of trainings and refresher courses for employees represents one of the functional attributions of the National Commission and is aimed to create and develop a professional environment of market participants. In the field of training securities market participants, National Commission has performed the following activities:

- there were organized 7 training courses and 3 refresher courses, at which participated 165 persons;
- there were performed 11 examinations for attesting specialists;
- there were granted 165 qualification certificates with the right to act on securities market.

## INTERNATIONAL RELATIONS AND COOPERATION

In conditions of desired future integration of Republic of Moldova within European structures, the National Commission performed its activity according to the Project of Measures of the Securities National Commission for the 2005– 2007 regarding the accomplishment of the Plan of Measures European Union – Republic of Moldova. The cooperation with foreign central authorities of securities market regulation and supervision represents one of the major objectives of the international activity performed by the National Commission. A first step towards this objective achievement consists of concluding a co-operation memorandum with similar foreign authorities.

Until today, the National Commission concluded co-operation memorandums with similar bodies from Ukraine (1997), Romania (1997, re-concluded in 2003) and Italy (2005). Under these memorandums concluded between National Commission and above-mentioned authorities is ensured a permanent exchange of information regarding market evolution and the legislation of the respective states. Based on the provisions of the memorandum of Understanding and technical assistance between the National Securities Commission of the Republic of Moldova and the Italian Commissione Nazionale per le Societa e la Borsa (CONSOB), in April 2006 the specialists of the National Commission undertook a working visit to the CONSOB in order to study deeply the experience of the mentioned institution within regulation and supervision of securities market, as well as in the integration of Italian securities market within communitarian market.

Also in 2006 on the base of the mentioned memorandum, the specialists of the CONSOB have visited the National Securities Commission in order to grant assistance in process of harmonization of the securities market legislative and institutional framework with the European Union's standards, by performing an assessment of the existing legal framework concerning securities market as well as the amendments to it, drafted by National Commission and their compliance with the European Union's Directives. In order to establish co-operation relations with Polish Securities and Exchange Commission the visit of the National Commission official deputation to the mentioned institution were undertaken. During this visit the National Commission's representatives were familiarized with the infrastructure and the legal framework that regulates the polish securities market, the main examined issue being the recent European integration of the polish securities market.

In order to study the experience of the single authority in charge of the regulation and supervision of the financial market, national Commission has established cooperation relationship with the Netherlands Authority for the Financial Markets. During the visit to the mentioned institution, the members of the official delegation of the National Commission, were familiarized with the Dutch model of financial supervision, based on a risk-assessment approach, as well as on the division of both, the prudential and market conduct supervision.

In the sphere of co-operation with profile international bodies can be remarked relations with International Monetary Fund, World Bank, United States Agency for Development (USAID), Dutch Fund "NFX", the Francophone Institute for the Financial Regulation, and the Capital

Market Regulatory and Supervisory Consultative Group. Thus, The National Commission collaborates with the representatives of the USAID project "Access to Credit Initiative" with the scope of promoting one of most efficient financial instruments – corporate bonds.

The experts of the Project "Corporative Government Reform" have drafted the Code of Corporative Government, which shall be approved by national Commission in 2007, as well as some proposals for the amending current legislation.

With the support of International Monetary Fund, National Commission initiated the cooperation with Dutch Fund "NFX", which main task consists in granting consultative assistance to emerging countries. According to the mutual agreement, NFX provides assistance in the process of the creation in the Republic of Moldova of the single authority, in charge of the regulation and supervision of the non-banking financial market (NCFM). Therefore, between 4 and 25 September, NFX has implemented a project, with the purpose of assessing the Moldovan non-banking financial market and the impediments to its development, as well as granting assistance in the process of the creation of the NCFM, having as a result a list of the recommendations with reference to the reorganization of the non-banking financial sector. In 2007 the second phase of the mentioned project shall start. This faze shall be divided in 2 stages: (1) drafting the Master plan for the transition and the integration of the three authorities, responsible for the supervision of the non-banking financial market, which shall contain the organizational and logistic measures, to be undertaken during the integration process and (2) the implementation of the technical assistance granted by the donors.

Obtaining the capacity of the member of profile international organizations is one of the steps to be realized within the European integration of the national securities market. For this, in 2006 was initiated the negotiations with the Francophone Institute for the Financial Regulation (IFREFI), which objectives consists in the exchange of the information among its members and the performance of professional trainings for the stuff of the member-authorities. During the Annual Meeting of IFREFI, CNVM became a member of this prestigious organization.

In 2006, National Commission initiated negotiations with the Capital Market Regulatory and Supervisory Consultative Group, which put together the authorities in charge of the supervision of the capital market from the countries that recently have been integrated in the European Union and the aspirant countries. In the frame of this organization the members consult each other in the process of the harmonization of the legal framework with the European aquis. As a result, the question concerning the membership of the National Commission will be included in the agenda of the next meeting of the Consultative Group.

According to the Project of Measures of the Securities National Commission for the 2005–2007 regarding the accomplishment of the Plan of Measures European Union – Republic of Moldova, National Commission initiated the procedure of becoming a member of International Organization of Securities Commission (IOSCO). For this purpose, the specialists of the National Commission have performed an assessment of the correspondence of the autochthon legal framework with IOSCO principles. Besides it, National Commission is in the process of the identification of the potential supporter of the IOSCO annual fee.

## EXECUTION OF NSC BUDGET

In accordance with the provisions of Parliament Resolution nr.306-XVI from 01.12.2005, rectified by Parliament Decision nr. 145-XVI from 02.06.2006, the budget of the National Commission has approved the amount of income - 9991,1 thousand lei and the amount of expenses – 8191,0 thousand lei.

The income of the National Commission received from taxes applied in accordance with art.6 of the Law on national Securities Commission represents 7682,6 thousand lei. The main sources of income are: taxes for registration of securities issues, taxes from the amount of transactions with securities, income from publishing periodicals of NSC, taxes for licensing professional participants, etc.

In 2006 real expenses of the National Commission amounted 7981,2 thousand lei. The main directions of using the commission's funds were the following: wages for employees, payments to social state insurance budget, payments to health insurance budget, payment for goods and services, etc.

In 2006, in accordance with the available amount of money established in accordance with the decision of the Parliament there were bought utilities and technical equipment necessary to the internal activity of the National Commission, there were executed renovations of offices and there was build "Technical center with garages".

# APPENDIX

**Anexa 1 Tender offers registered in 2006**

| | Date of registration at the NSC | Date of publishing in MO and terms of action | Tenderer | Issuer the shares of which represent the object of tender offer | Par value per share, lei | Purchasing price proposed, lei | Number of shares that represent the object of the offer, units | Number of shares bought by the offer, units | Date of transaction at MSE |
|---|---|---|---|---|---|---|---|---|---|
| 1. | 05.01.06 | MO of 20.01.06 term -30 d. | SRL „Iumih-Lux" | SA „Farmacia-Ialoveni" | 1,00 | 1,34 | 100 780 | 6 966 (6,9%) | 02.03.06 |
| 2. | 16.01.06 | MO of 27.01.06 term -30 d. | Tuzlucov Piotr | SA „SAjittarius" | 1,00 | 3,16 | 32 832 | 31 962 (97,35%) | 03.03.06 |
| 3. | 02.02.06 | MO of 24.02.06 term -30 d. | Dubăsaru Dumitru | SA „Digrenta" | 1,00 | 0,36 | 55 000 | 53 678 (97,6%) | 07.04.06 |
| 4. | 02.02.06 | MO of 17.02.06 term -45 d. | SA „Icam" | SA „Icam" | 5,00 | 2,60 | 318 850 | 108 464 (34%) | 07.04.06 |
| 5. | 02.02.06 | MO of 17.02.06 term -30 d. | Buzadjî Constantin | SA „Garant-Auto" | 7,00 | 7,00 | 32 444 | 19 562 (60,3%) | 27.03.06 |
| 6. | 02.02.06 | MO of 17.02.06 term -30 d. | SRL „Vila-Verde" | SA „Hotelul Dacia-Un" | 5,00 | 5,10 | 12 744 | 6 968 (54,7%) | 31.03.06 |
| 7. | 02.02.06 | MO of 17.02.06 term -37 d. | SRL „Olioterra" | SA „Plastifiant" | 10,00 | 10,27 | 35 856 | 811 (2,3%) | 30.03.06 |
| 8. | 16.02.06 | MO of 24.02.06 term -70 d. | SA „Finarge-26" | SA „Ciment" | 30,00 | 30,83 | 2 824 923 | 2 231 276 (78,98%) | 05.06.06 |
| 9. | 28.03.06 | MO of 31.03.06 term -30 d. | SRL „Bavax-SRL" | SA „Fabrica de vinuri Slobozia Mare" | 10,00 | 15,00 | 349 919 | 237 952 (68%) | 12.05.06 |
| 10. | 30.03.06 | MO of 07.04.06 term -30 d. | SRL „Seniba-Plus" | SA „Automoto-trans" | 15,00 | 17,55 | 14 617 | 4 408 (30,2%) | 17.05.06 |
| 11. | 06.04.06 | MO of 14.04.06 term -30 d. | Zabrian Igor | SA „Locuința" | 10,00 | 6,08 | 5 295 | 1 592 (30,1%) | 23.05.06 |
| 12. | 25.04.06 | MO of 05.05.06 term -30 d. | Negru Valentin | SA „Fabrica de produse lactate din Cimișlia" | 10,00 | 9,50 | 64 451 | 45 053 (69,9%) | 06.06.06 |
| 13. | 27.04.06 | MO of 12.05.06 term -30 d. | SRL „RDM" | SA „Hidropompa" | 10,00<br>50,00 | 5,75<br>43,17 | 518 929 (common stock)<br>1 374 (preferred stock) | 104 099 (0,2%)<br>410 (29,8%) | 14.06.06 |
| 14. | 27.04.06 | MO of 05.05.06 term -30 d. | SRL „Polaris Handels-gesell-schaft m.b.H" | SA „Tricon" | 30,00 | 20,90 | 198 900 | 198 900 (100%) | 12.06.06 |
| 15. | 18.05.06 | MO of 26.05.06 term -30 d. | Zandelov Elena | SA „Agrocon-1" | 5,00 | 5,05 | 336 604 | 303 584 (90,2%) | 06.07.06<br>12.07.06 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 16. | 25.05.06 | MO of 02.06.06 term -50 d. | Doroftei Andrei | SA „Întreprinderea tehnică Bardar” | 30,00 | 29,97 | 19 833 | 16 944 (85,4%) | 31.07.06 |
| 17. | 25.05.06 | MO of 02.06.06 term -30 d. | Scripnic Mihail | SA „1000 de mărunţişuri” | 10,00 | 24,27 | 12 360 | 14 972 (121,1%) | 10.07.06 |
| 18. | 25.05.06 | MO of 02.06.06 term -60 d. | ÎCS „Development-Grup” SRL | SA „Orhei-Vit” | 15,00 | 7,77 | 650 134 | 255 648 (39,33%) | 14.08.06 |
| 19. | 01.06.06 | MO of 09.06.06 term -30 d. | SRL „Bavax-SRL” | SA „Fabrica de vinuri Slobozia Mare” | 10,00 | 13,00 | 111 967 | 15 (0,02%) | 20.07.06 |
| 20. | 13.07.06 | MO of 28.07.06 term -30 d. | ÎCS „Development-Grup” SRL | SA „Dionysos Mereni” | 10,00 | 6,50 | 119 540 | 72 249 (60,44%) | 14.09.06 |
| 21. | 03.08.06 | MO of 11.08.06 term -30 d. | SRL „Suvoriv-Vin” | SA „Kazayak-Vin” | 1,00 | 0,61 | 10 307 846 | 3 409 758 (33,08%) | 26.09.06 |
| 22. | 03.08.06 | MO of 11.08.06 term -60 d. | SA „Calcar” | SA „Calcar” | 50,0 | 40,95 | 3 000 | 3 000 (100%) | 20.10.06 |
| 23. | 17.08.06 | MO of 25.08.06 term -40 d. | Zandelov Elena | SA „Agrocon-1” | 5,00 | 5,05 | 33 020 | 14 893 (45,11%) | 13.10.06 |
| 24. | 30.08.06 | MO of 08.09.06 term -30 d. | SRL „Scorpioil-Cinci” | SA „Fabrica de conserve Olăneşti” | 10,00 | 4,06 | 764 491 | 175 343 (22,94%) | 13.10.06 |
| 25. | 21.09.06 | MO of 29.09.2006 term -40 d. | Enache Alexandru | SA „Combinatul de prelucrare a lemnului Taraclia” | 10,00 | 10,00 | 35 286 | 10 941 (31,01%) | 29.11.06 |
| 26. | 03.11.06 | MO of 10.11.2006 term -30 d. | SRL „MGM” | SA „Vestro” | 10,00 | 168,02 | 1 066 | 236 (22,14%) | 20.12.06 |
| **Oferte tender în proces de realizare (conform situaţiei la 31.12.2006)** | | | | | | | | | |
| 27. | 16.11.06 | MO of 24.11.2006 term -30 d. | Scripnic Mihail | SA „1000 Mărunţişuri” | 10,00 | 24,27 | 7 427 | 153 (2,06%) | - |
| 28. | 23.11.06 | MO of 01.12.2006 term -30 d. | SRL „Tehmediator” | SA „Mineral” | 20,00 | 27,57 | 58 863 | 2 557 (4,35%) | - |
| 29. | 23.11.06 | MO of 01.12.2006 term -30 d. | Comp.”Development Capital Corporation”, Nicolae Dorin, Serghei Cartaşov, Tatiana Hvostoveţ | BC „Mobiasbancă” SA | 10,00 | 62,51 | 5 021 650 | 5 021 650 (100%) | - |
| 30. | 30.11.06 | MO of 08.12.2006 term -30 d. | SRL „Repcor-Com” | SA „Telecom-Rut” | 10,00 | 2,50 | 7 152 | 0 | - |
| 31. | 11.05.06 | MO of 19.05.06 term -30 d. | SRL „Agat şi Onix” | SA „Avicola Vadul lui Vodă” | 1,00 | 1,00 | 2 187 423 | | - |

**Anexa 2 Top of companies with the highest market price of issued shares**

| Date of transaction | ISIN | Company's name | Type of transaction | Amount of transaction | % from the issue | Par value | Market price per share | Increase from par value, % |
|---|---|---|---|---|---|---|---|---|
| 20.12.2006 | MD14VERO1009 | SA"Vestro" | oferta tender | 39 653 | 2,90 | 10 | 168,02 | 1680 |
| 25.12.2006 | MD14VCTB1004 | BC "Victoriabank" SA | vînzare-cumparare | 67 900 | 0,02 | 10 | 140,00 | 1400 |
| 11.12.2006 | MD14VCTB1004 | BC "Victoriabank" SA | vînzare-cumparare | 138 | 0,00 | 10 | 138,00 | 1380 |
| 30.11.2006 | MD14VCTB1004 | BC "Victoriabank" SA | vînzare-cumparare | 135 000 | 0,03 | 10 | 135,00 | 1350 |
| 10.11.2006 | MD14VCTB1004 | BC "Victoriabank" SA | vînzare-cumparare | 17 160 | 0,00 | 10 | 132,00 | 1320 |
| 19.10.2006 | MD14VCTB1004 | BC "Victoriabank" SA | vînzare-cumparare | 43 810 | 0,01 | 10 | 130,00 | 1300 |
| 02.10.2006 | MD14VCTB1004 | BC "Victoriabank" SA | vînzare-cumparare | 227 000 | 0,06 | 10 | 113,50 | 1135 |
| 03.11.2006 | MD14CRUM1004 | SA"Drum-96" | pachet unic | 7 700 | 0,43 | 100 | 1100,00 | 1100 |
| 20.02.2006 | MD14VCTB1004 | BC "Victoriabank" SA | vînzare-cumparare | 13 653 | 0,00 | 10 | 105,02 | 1050 |
| 24.10.2006 | MD14VCTB1004 | BC "Victoriabank" SA | pachet unic | 5 304 000 | 1,59 | 10 | 104,00 | 1040 |
| 29.12.2006 | MD14ECNT1001 | SA "Echipament" | vînzare-cumparare | 3 600 | 0,29 | 10 | 90,00 | 900 |
| 19.12.2006 | MD14BECM1002 | BC "Banca de economii " SA | vînzare-cumparare | 2 418 | 0,00 | 5 | 31,00 | 620 |
| 22.12.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 5 025 | 0,00 | 200 | 1005,00 | 503 |
| 29.12.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 7 028 | 0,00 | 200 | 1004,00 | 502 |
| 08.12.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 4 750 | 0,00 | 200 | 950,00 | 475 |
| 07.12.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 14 055 | 0,00 | 200 | 937,00 | 469 |
| 30.11.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 155 550 | 0,02 | 200 | 915,00 | 458 |
| 17.10.2006 | MD14CRUM1004 | SA"Drum-96" | pachet unic | 3 150 | 0,43 | 100 | 450,00 | 450 |
| 22.09.2006 | MD14TIPG1001 | SA "Tipografia Anenii Noi " | Agenţia Privatizării | 116 025 | 72,23 | 10 | 44,20 | 442 |
| 08.11.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 42 500 | 0,00 | 200 | 850,00 | 425 |
| 18.10.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 750 000 | 0,10 | 200 | 750,00 | 375 |
| 10.10.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 633 320 | 0,09 | 200 | 710,00 | 355 |
| 30.10.2006 | MD14AUTM1004 | SA "Automat" | vînzare-cumparare | 210 | 0,00 | 10 | 35,00 | 350 |
| 06.10.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 43 470 | 0,01 | 200 | 690,00 | 345 |
| 08.06.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 20 250 | 0,00 | 200 | 675,00 | 338 |
| 26.05.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | vînzare-cumparare | 39 000 | 0,01 | 200 | 650,00 | 325 |
| 03.03.2006 | MD14SAJI1006 | SA "Sajittarius" | oferta tender | 29 268 | 22,57 | 1 | 3,16 | 316 |
| 28.04.2006 | MD14ISRE1002 | SA "Intreprinderea specializată de reparaţii din Edineţ" | vînzare-cumparare | 319 600 | 5,96 | 15 | 47,00 | 313 |
| 28.03.2006 | MD14AGIB1008 | BC "Moldova-Agroindbank" SA | oferta tender | 29 016 000 | 4,66 | 200 | 600,00 | 300 |

Anexa 3 Purchases of securities made by foreign investors

| Home country | Amount of transaction | Quota in total amount |
|---|---|---|
| Italia | 202,79 | 40,96% |
| Slovenia | 93,38 | 18,86% |
| Franţa | 69,00 | 13,94% |
| Olanda | 44,84 | 9,06% |
| Turcia | 38,57 | 7,79% |
| Germania | 8,77 | 1,77% |
| Austria | 8,51 | 1,72% |
| Grecia | 6,48 | 1,31% |
| Elveţia | 4,11 | 0,83% |
| Liechtenstein | 4,09 | 0,83% |
| Cehia | 3,37 | 0,68% |
| Marea Britanie | 3,03 | 0,61% |
| SUA | 2,66 | 0,54% |
| România | 1,50 | 0,30% |
| Panama | 1,06 | 0,21% |
| Belize | 1,03 | 0,21% |
| Ucraina | 0,83 | 0,17% |
| Cipru | 0,53 | 0,11% |
| Croaţia | 0,30 | 0,06% |
| Rusia | 0,14 | 0,03% |
| Insule Verginiei | 0,08 | 0,02% |
| Elveţia | 0,04 | 0,01% |
| Armenia | 0,01 | 0,00% |
| **Total** | 495,12 | 100 % |

Anexa 4 Sales of securities performed by foreign investors

| Home country | Amount of transaction | Quota in total amount |
|---|---|---|
| Canada | 202,79 | 52,55% |
| Marea Britanie | 63,55 | 16,47% |
| SUA | 63,16 | 16,37% |
| Cipru | 21,64 | 5,61% |
| Belgia | 16,93 | 4,39% |
| Insule Verginiei | 6,61 | 1,71% |
| Elveţia | 3,65 | 0,95% |
| Belize | 2,67 | 0,69% |
| Grecia | 2,00 | 0,52% |
| Seychelles | 1,33 | 0,34% |
| Israel | 0,66 | 0,17% |
| Italia | 0,66 | 0,17% |
| Rusia | 0,16 | 0,04% |
| Irlanda | 0,08 | 0,02% |
| Ucraina | 0,03 | 0,01% |
| Polonia | 0,006 | 0,002% |
| Germania | 0,005 | 0,001% |
| Danemarca | 0,002 | 0,001% |
| Armenia | 0,001 | 0,000% |
| **Total** | 385,93 | |

**Anexa 5 Main steps in the repurchasing process**

| Investment fund | Date of General Meeting of Shareholders | Period of collecting requests | Date of starting payments |
|---|---|---|---|
| Asito-Invest-Prim | 02.07.05 | 02.07.05- 02.06.06 | 27.09.06 |
| Real-Invest | 20.08.05 | 20.08.05-.20.05.06 | 30.08.06 |
| Agrofond | 24.08.05 | 01.10.05-.01.07.06 | 01.10.06 |
| Dividend | 24.08.05 | 01.10.05-.01.07.06 | 01.10.06 |
| Mandatar | 27.09.05 | 27.09.05- 27.06.06 | 27.09.06 |
| Daac-Hermes | 16.12.05 | 17.12.05- 17.09.06 | 17.12.06 |

**Anexa 6 Conditions for shares repurchasing**

| Investment fund | Price of repurchase | Par value/issuing price per share | Number of repurchasing centers | Number of repurchasing agents | Number of collected requests | Number of shares that correspond to requests |
|---|---|---|---|---|---|---|
| Asito-Invest-Prim | 0,53 lei | 1 leu | 25 | 25 | 11820 | 3 857 072 |
| Real-Invest | 0,65 lei | 1,3 lei | 4 | 6 | 1376 | 992 972 |
| Agrofond | 2 lei | 4 lei | 11 | 21 | 5879 | 648 311 |
| Dividend | 2 lei | 4 lei | 8 | 18 | 2829 | 317 833 |
| Mandatar | 0,37 lei | 0,72 lei | 17 | 17 | 3682 | 3 783 106 |
| Daac-Hermes | 1 leu | 1 leu | 22 | 25 | 13528 | 6 654 103 |
| **Total** | * | * | **87** | **112** | **39114** | **16 253 397** |

**Anexa 7 Process of shares repurchasing, as for 31.12.2006**

| Investment fund | Funds necesary for repurchase | Funds repaid, lei | % of repayment | Nonpaid financial resources, lei | % of non-payment |
|---|---|---|---|---|---|
| Asito-Invest-Prim | 2 073 375 | 1 951 380 | 94,12 | 121 995 | 5,88 |
| Real-Invest | 652 398 | 632 482 | 96,95 | 19 916 | 3,05 |
| Agrofond | 1 370 450 | 1 171 567 | 85,49 | 198 883 | 14,51 |
| Dividend | 681 765 | 526 970 | 77,30 | 154 795 | 22,70 |
| Mandatar | 1 440 459 | 1 333 115 | 92,55 | 107 344 | 7,45 |
| Daac-Hermes | 6 563 749 | 5 706 524 | 86,94 | 857 225 | 13,06 |
| **Total** | **12 782 196** | **11 322 038** | **88,57** | **1 450 158** | **11,43** |

**Anexa 8 Liquidation value of shares of investment funds in the process of forced liquidation as for 31.12.2006**

| Nr. | Name of the fund | Number of shareholders | Number of placed shares | Par value (issuing price) | Amount of existing funds, lei | Nonreimbursed debts, lei | Funds available for payment, lei | Average amount of funds for one shareholder, lei | Average amount of funds per share, lei | Lots of shares at the beginning of liquidation procedure | Lots of shares sold during auctions | Number of auctions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | FINN „BSV - Invest" | 2598 | 1341227 | 0,8 | 255000 | 4313 | 250687 | 96,49 | 0,19 | 21 | 15 | 21 |
| 2 | FINN „Cais - F" | 73664 | 22659100 | 1 | 8505000 | 262054 | 8242946 | 111,90 | 0,36 | 52 | 26 | 15 |
| 3 | FINN „Grand - Fines" | 6728 | 2068012 | 1 | 1262000 | 0 | 1262000 | 187,57 | 0,61 | 30 | 17 | 21 |
| 4 | FINN „Incom - Invest" | 19963 | 3233074 | 1 | 3920000 | 32049 | 3887951 | 194,76 | 1,20 | 29 | 29 | 20 |
| 5 | FINN „Interfond" | 5287 | 1837040 | 0,89 | 405000 | 4153 | 400847 | 75,82 | 0,22 | 21 | 14 | 21 |
| 6 | FINN „Interinvest - Plus" | 914 | 313797 | 5 | 360000 | 1763 | 358237 | 391,94 | 1,14 | 5 | 4 | 21 |
| 7 | FINN „Moldinvest" | 11826 | 5665702 | 0,99 | 1265000 | 5666 | 1259334 | 106,49 | 0,22 | 29 | 19 | 21 |
| 8 | FINN „Papirus - Invest" | 7981 | 632198 | 0,79 | 545000 | 1741 | 543259 | 68,07 | 0,86 | 14 | 11 | 21 |
| 9 | FINN „Prim - Invest" | 3660 | 837507 | 1 | 130000 | 16458 | 113542 | 31,02 | 0,14 | 16 | 9 | 21 |
| 10 | FINN „Soprocom - Invest" | 10049 | 916312 | 4,36 | 1387000 | 3797 | 1383203 | 137,65 | 1,51 | 33 | 17 | 21 |
| 11 | FINN „Terra - Invest" | 7847 | 2490548 | 0,5 | 909000 | 0 | 909000 | 115,84 | 0,36 | 44 | 34 | 21 |
| 12 | FINN „Transinvest" | 2676 | 121981 | 9,69 | 106000 | 14075 | 91925 | 34,35 | 0,75 | 20 | 12 | 21 |
| 13 | FIP „Cărpineniprivatinvest" | 5267 | 3253353 | 1 | 2095000 | 0 | 2095000 | 397,76 | 0,64 | 6 | 6 | 13 |
| 14 | FIP „Glorinvest" | 5100 | 970553 | 1 | 435000 | 0 | 435000 | 85,29 | 0,45 | 5 | 5 | 12 |
| 15 | FIP „MCI - Fond" | 5160 | 1454631 | 1 | 1059000 | 50740 | 1008260 | 195,40 | 0,69 | 30 | 22 | 21 |
| 16 | FIP „Migdalinvest" | 5275 | 477750 | 1 | 210000 | 0 | 210000 | 39,81 | 0,44 | 1 | 1 | 3 |
| 17 | FIP „Zodiac-Invest" | 3423 | 965505 | 1,59 | 546000 | 4617 | 541383 | 158,16 | 0,56 | 9 | 8 | 21 |
| | **TOTAL** | **177418** | | | **23394000** | **401426** | **22992574** | | | **365** | **247** | |

**Anexa 9 Value of liquidation per share of investment funds in the process of self-liquidation as for 31.12.2006**

| Nr. | Name of the fund | Number of shareholders | Number of placed shares | Par value (issuing price) | Amount of funds, lei | Debts , lei | Funds available for payment, lei | Average amount of funds for one shareholder, lei | Average amount of funds per share, lei | Lots of shares at the beginning of liquidation procedure | Lots of shares sold during auctions | Number of auctions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | FINN „Asito – Invest" | 98983 | 26453849 | 1 | 2840000 | 10443 | 2829557 | 28,59 | 0,11 | 41 | 9 | 7 |
| 2 | FINN „Credo- Invest" | 60004 | 26276105 | 0,98 | 6480000 | 118557 | 6361443 | 106,02 | 0,24 | 68 | 4 | 4 |
| 3 | FINN „D - Invest" | 58609 | 61289755 | 0,66 | 12704000 | 214541 | 12489459 | 213,10 | 0,20 | 88 | 20 | 13 |
| 4 | FINN „Exiton - Bon" | 245733 | 69368125 | 0,7 | 17682000 | 149125 | 17532875 | 71,35 | 0,25 | 152 | 46 | 16 |
| 5 | FINN „Exiton - Invest" | 71929 | 24605981 | 1 | 5570000 | 13747 | 5556253 | 77,25 | 0,23 | 102 | 33 | 16 |
| 6 | FINN „Nord – Invest" | 106683 | 30092420 | 1 | 5422000 | 6172 | 5415828 | 50,77 | 0,18 | 61 | 23 | 15 |
| 7 | FINN „Telecom - Invest" | 92792 | 26954923 | 1 | 10219000 | 477 | 10218523 | 110,12 | 0,38 | 63 | 11 | 8 |
| 8 | FINN „Viitorul – Tău" | 125779 | 36358478 | 0,96 | 11421000 | 4515 | 11416485 | 90,77 | 0,31 | 53 | 24 | 9 |
| 9 | FINN „York - Invest" | 33904 | 11841904 | 1 | 1364000 | 374712 | 989288 | 29,18 | 0,08 | 47 | 7 | 4 |
| | **Total** | **894413** | **-** | **-** | **73702000** | **892289** | **72809711** | **-** | **-** | **675** | **177** | **-** |

Anexa 10 List of joint stock companies that have performed constitutive issues in 2006

| Nr. | Name of the issuer | Amount of issue, lei | Par value, lei | Date of NSC meeting |
|---|---|---|---|---|
| 1. | Luxconsistem | 10000 | 1000 | 19.01.06 |
| 2. | Agrodava Grup | 10000 | 1 | 02.02.06 |
| 3. | Locuinţe pentru Toţi | 100000 | 100 | 02.02.06 |
| 4. | Energocom | 100000 | 100 | 02.02.06 |
| 5. | Anişoara-AIP | 10400 | 1 | 16.02.06 |
| 6. | Norma-Tel | 10000 | 10 | 25.05.06 |
| 7. | Bigamos Farm | 285176 | 1 | 22.06.06 |
| 8. | Novconsurb | 20000 | 100 | 13.07.06 |
| 9. | Luspiat | 10000 | 10 | 30.08.06 |
| 10. | ÎCS Total Leasing | 84800 | 100 | 07.09.06 |
| 11. | S.N.T. INT. | 20000 | 1 | 14.09.06 |
| 12. | Cardinal-Plus | 10000 | 1 | 09.11.06 |
| 13. | EFPG | 10000 | 1 | 07.12.06 |
| 14. | ÎM Easynation | 20000 | 10 | 21.12.06 |
| **TOTAL** | | **700376** | **-** | **-** |

Anexa 11 List of joint stock companies that performed additional issues in 2006

| SHARES | | | | |
|---|---|---|---|---|
| **№** | **Name of issuer** | **Amount of the issue, lei** | **PV, lei** | **Date of NSC meeting** |
| 1. | Magnific | 9692535 | 1 | 11.01.06 |
| 2. | Magnet-Del | 9900 | 10 | 19.01.06 |
| 3. | ÎCS ECDL | 179800 | 100 | 19.01.06 |
| 4. | Revelaţie | 1575000 | 10 | 02.02.06 |
| 5. | Fabrica de Conserve Anenii Noi | 5636280 | 40 | 02.02.06 |
| 6. | Centromed | 8000 | 1 | 28.02.06 |
| 7. | Macon | 3596000 | 5 | 28.02.06 |
| 8. | ÎCS ProCredit | 5136000 | 1000 | 14.03.06 |
| 9. | ÎM Tehuazservice | 10000 | 1 | 14.03.06 |
| 10. | BC Unibank | 5000000 | 200 | 23.03.06 |
| 11. | Hariton | 9900 | 10 | 28.03.06 |
| 12. | Обзор Рынка Недвижимости | 9900 | 1 | 11.04.06 |
| 13. | Vivacom | 9880 | 1 | 11.04.06 |
| 14. | Horus | 468917 | 1 | 13.04.06 |
| 15. | Inproserv | 9900 | 1 | 25.04.06 |
| 16. | Agrodava-Grup | 90000 | 1 | 25.04.06 |
| 17. | UB Magica Internaţional | 10000 | 1 | 25.04.06 |
| 18. | Pielart | 2780000 | 40 | 25.04.06 |
| 19. | M.A.R.T. | 10000 | 1 | 18.05.06 |
| 20. | ÎM Accent-Electronic | 2726874 | 1 | 08.06.06 |
| 21. | Framacia Nr.2-Centrală | 870099 | 4 | 15.06.06 |
| 22. | Moldconinvest | 1000000 | 10000 | 22.06.06 |
| 23. | Drumuri Orhei | 472000 | 10 | 22.06.06 |
| 24. | Mineral | 5315400 | 20 | 29.06.06 |
| 25. | Era-Prim | 1858710 | 10 | 29.06.06 |
| 26. | Viconstrucţia | 9900 | 1 | 29.06.06 |
| 27. | Apă-Canal Chişinău | 14000000 | 100 | 29.06.06 |
| 28. | Dacia-Com | 1440000 | 10 | 29.06.06 |
| 29. | Horus | 1002006 | 1 | 13.07.06 |
| 30. | Optimedfarm | 72500 | 1 | 13.07.06 |

| | | | | |
|---|---|---|---|---|
| 31. | Isabel | 392326 | 1 | 20.07.06 |
| 32. | Orhei | 570000 | 10 | 20.07.06 |
| 33. | Codreanca | 2421060 | 10 | 27.07.06 |
| 34. | Produse Cerealiere | 13154540 | 1 | 27.07.06 |
| 35. | BC Eximbank | 150000000 | 1000 | 03.08.06 |
| 36. | Baza Comercială Angro Textile | 155000 | 10 | 17.08.06 |
| 37. | Tehnovin | 7472920 | 10 | 30.08.06 |
| 38. | Sancomplex Grup | 195000 | 1 | 30.08.06 |
| 39. | Reclamservice | 1875000 | 10 | 30.08.06 |
| 40. | ÎM Acorex Wine Holding | 43000000 | 1000 | 30.08.06 |
| 41. | IPTEH | 5100000 | 10 | 07.09.06 |
| 42. | BC Universalbank | 12659988 | 1660 | 07.09.06 |
| 43. | Digrenta | 292040 | 1 | 14.09.06 |
| 44. | Orhei | 315000 | 10 | 14.09.06 |
| 45. | Fabrica de Brînzeturi din Cahul | 1087000 | 20 | 21.09.06 |
| 46. | Cahulpan | 6012906 | 3 | 21.09.06 |
| 47. | Moldconinvest | 500000 | 10000 | 27.09.06 |
| 48. | Compania Mixtă de Asigurări „Exim-Asint” | 7468500 | 100 | 05.10.06 |
| 49. | ÎM Accent Electronic | 6600266 | 1 | 12.10.06 |
| 50. | Dacia-Com | 200000 | 10 | 12.10.06 |
| 51. | Protos | 9919155 | 100 | 12.10.06 |
| 52. | Concord-Străşeni | 5000004 | 12 | 19.10.06 |
| 53. | Ionel | 10780 | 20 | 19.10.06 |
| 54. | ÎCS Grawe Asigurare de Viaţă | 1200000 | 1000 | 03.11.06 |
| 55. | Den-Dan | 3782000 | 10 | 09.11.06 |
| 56. | Orhei | 2206030 | 10 | 23.11.06 |
| 57. | Orlact | 901690 | 1 | 30.11.06 |
| 58. | Valmi Automotive Moldova | 7370000 | 1000 | 30.11.06 |
| 59. | Produse Cerealiere | 13399872 | 1 | 30.11.06 |
| 60. | Zoreana | 72000 | 1 | 07.12.06 |
| 61. | BS-Leasing Grup | 2418000 | 24 | 07.12.06 |
| 62. | Moldelectromontaj | 1200000 | 100 | 07.12.06 |
| 63. | Aureola | 27413286 | 24 | 07.12.06 |
| 64. | BC Eximbank SA Gruppo Veneto Banca | 170000000 | 1000 | 14.12.06 |
| 65. | ÎCS Total Leasing | 7465400 | 100 | 14.12.06 |
| 66. | Banca Comercială Română Chişinău | 34880000 | 10000 | 18.12.06 |
| 67. | Registrul-F | 218800 | 50 | 21.12.06 |
| 68. | BC Unibank | 66000000 | 200 | 21.12.06 |
| 69. | Autoprim-Service | 1000000 | 101 | 28.12.06 |
| 70. | Moldconinvest | 500000 | 10000 | 28.12.06 |
| | **TOTAL SHARES** | **677 438 064** | | |

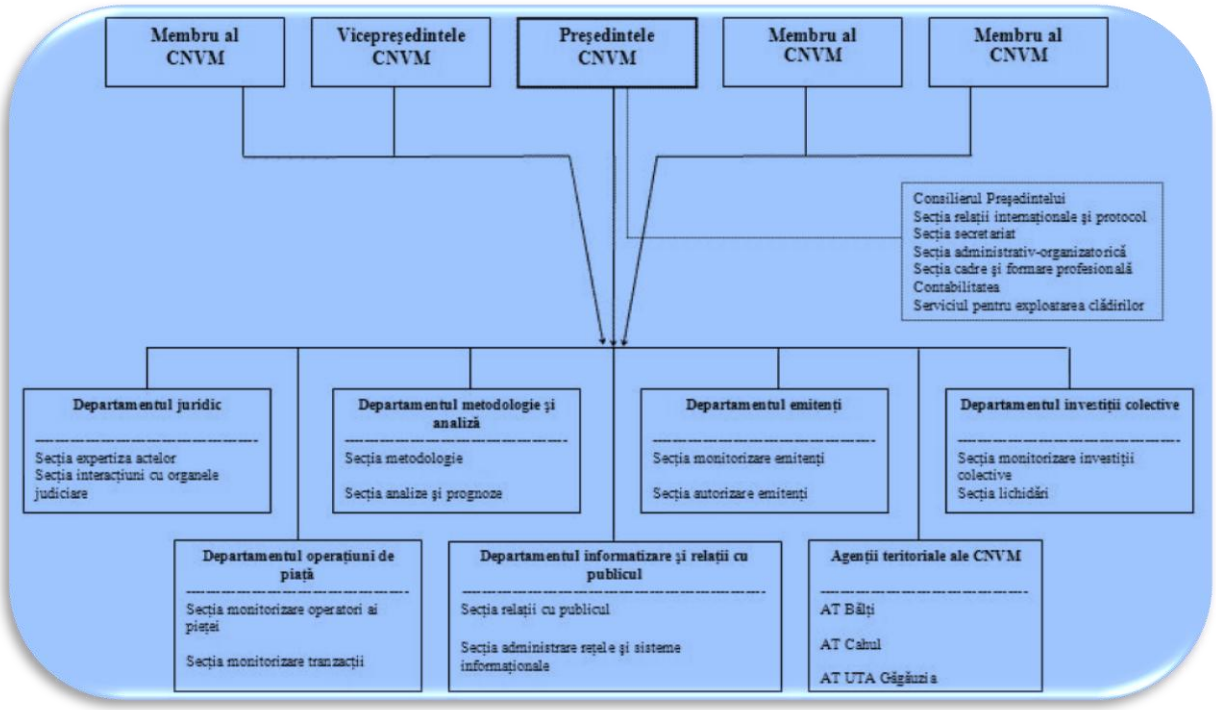
**BONDS**

| | Name of issuer | Amount of issue, lei | PV, lei | Date of NSC meeting |
|---|---|---|---|---|
| 1. | Nufărul | 3000000 | 50000 | 07.02.06 |
| 2. | Angrocomerţ-Vest-Est | 800000 | 10000 | 23.03.06 |
| 3. | DAAC Ciocana | 660000 | 10000 | 23.03.06 |
| 4. | Hidroinpex | 1100000 | 50000 | 15.06.06 |
| **TOTAL BONDS** | | **5 560 000** | | |
| **TOTAL SECURITIES** | | **682 998 064** | | |

**Anexa 12 Issues of securities made by joint stock companies with participation of foreign capital**

| Nr. | Name of issuer | Amount of issue, lei | Share capital, lei | Foreign capital | |
|---|---|---|---|---|---|
| | | | | Amount, lei | Quota, % |
| 1. | ÎCS ECDL | 179800 | 189800 | 179800 | 100,0 |
| 2. | Macon | 3596000 | 21867941 | 3596000 | 100,0 |
| 3. | ÎCS Procredit | 5136000 | 13262000 | 5136000 | 100,0 |
| 4. | BC Unibank | 5000000 | 56000000 | 5000000 | 100,0 |
| 5. | Horus | 468917 | 568917 | 468917 | 100,0 |
| 6. | ÎM Accent-Electronic | 2726874 | 33443074 | 2726874 | 100,0 |
| 7. | Horus | 1002006 | 1570923 | 1002006 | 100,0 |
| 8. | Codreanca | 2421060 | 2500000 | 2421060 | 100,0 |
| 9. | BC Eximbank | 150000000 | 225000000 | 150000000 | 100,0 |
| 10. | ÎM Acorex Wine Holding | 43000000 | 98000000 | 30100000 | 70,0 |
| 11. | ÎCS Total Leasing | 84800 | 84800 | 84800 | 100,0 |
| 12. | IPTEH | 5100000 | 12506630 | 5100000 | 100,0 |
| 13. | BC Universalbank | 12659988 | 86841240 | 10732458 | 84,8 |
| 14. | CA Exim-Asint | 7468500 | 9771100 | 7423600 | 99,4 |
| 15. | ÎM Accent Electronic | 6600266 | 40043340 | 6600266 | 100,0 |
| 16. | ÎCS Grawe Asigurare de Viață | 1200000 | 3233000 | 1200000 | 100,0 |
| 17. | ÎM Valmi Automotive Moldova | 7370000 | 9192000 | 3685000 | 50,0 |
| 18. | BS-Leasing Grup | 2418000 | 4418000 | 279000 | 11,5 |
| 19. | Moldelectromontaj | 1200000 | 5562000 | 1200000 | 100,0 |
| 20. | BC Eximbank SA Gruppo Veneto Banca | 170000000 | 385000000 | 170000000 | 100,0 |
| 21. | ÎCS Total Leasing | 7465400 | 7550200 | 7465000 | 100,0 |
| 22. | BCR Chişinău | 34880000 | 133000000 | 34880000 | 100,0 |
| 23. | ÎM Easynation | 20000 | 20000 | 14000 | 70,0 |
| 24. | BC Unibank | 66000000 | 122000000 | 66000000 | 100,0 |
| | **TOTAL** | **535 997 611** | **1 271 624 965** | **515 294 781** | **96,1** |

**Anexa 13 Organizational structure of NSC in 2006**



**Anexa 14 Regulation acts approved by NSC in 2006**

| Nr. | Amended legal act | Decision of NSC to perform amendments | Content of amendments |
|---|---|---|---|
| 1. | Special form of transmission by-law, approved by Decision of NSC nr. 30/9 from 15.11.2001 | Decision of NSC nr. 8/9 din 02.02.2006 | To determine the form of transmission by-law for the cases of distribution of securities from the investment portfolio of investment funds in the process of liquidation to the shareholders, for the cases of transmission of securities from nominal ownership of management companies to real ownership of owners, and for cases of assigning non-requested securities of liquidated agricultural companies. |
| 2. | Regulation regarding the procedure of self-liquidation of investment funds, approved by Decision of NSC nr. 28/1 from 01.10.1998 | Decision of NSC nr. 8/9 from 02.02.2006 | To establish the way of coordination with NSC the prices of securities from the portfolios of investment funds in the process of self-liquidation in cases when the investment fund is the insider of the respective issuer. |
| | | Decision of NSC nr. 61/5 from 09.11.2006 | To improve the way of alienation of securities and shares of participation in the portfolios of investment funds, of application by NSC of penalties to the liquidation commission of the fund in the liquidation process in case of non-adequate execution of its obligations. |
| 3. | New maximum amount of taxes applied by independent registrars for registering the right of ownership, approved by Decision of NSC nr. 27/6 from 06.07.2000 | Decision of NSC nr. 8/9 from 02.02.2006 | To establish the amount of taxes applied by independent registrars for:<br>a) distribution of non-placed shares from the portfolio of the investment fund to its shareholders;<br>b) repurchasing of shares of the investment fund in process of reorganization. |
| 4. | Rules of Moldova Stock Exchange, approved by Decision of NSC nr. 17/5 from 19.05.2000 | Decision of NSC nr. 11/8 from 16.02.2006 | To establish the cases and special conditions for performing buying-selling and change transactions in the Section of direct transactions of Moldova Stock Exchange. |
| 5. | Model of contract for keeping the register of securities holders, approved by Decision of NSC nr. 33/6 from 14.09.2000 | Decision of NSC nr. 11/9 from 16.02.2006 | To establish the period of time necessary to make amendments in the contract concluded with issuers in accordance with changes operated in the model-contract of keeping the register of securities holders. |
| 6. | Way of selling securities from portfolios of investment funds in the liquidation process, approved by Decision of NSC nr. 32/6 from 29.11.2001. | Decision of NSC nr. 15/2 from 14.03.2006 | To establish the way of alienation of shares of investment funds in process of liquidation through outcry auction. |

| | | | |
|---|---|---|---|
| 7. | Way of liquidation of professional participant and its activity on securities market in case of withdrawal (expiry) of license granted by NSC, approved by Decision of NSC nr. 6/5 from 03.02.2001. | Decision of NSC nr. 15/2 from 14.03.2006 | To change the period of publishing informational communiqué regarding the shares of the fund portfolio offered for sale. |
| | | Decision of NSC nr. 61/5 from 09.11.2006 | To regulate the process of keeping funds received from selling shares of investment funds in the liquidation process o deposit account and/or investing these funds in government securities at the best interest rate offered by commercial banks. |
| 8. | Regulation of National Securities Commission, approved by the Decision of NSC nr. 3/5 from 22.07.1999 | Decision of NSC nr. 15/4 from 14.03.2006 | To change the organizational structure, employment scheme and staff number of the Executive Direction of NSC. |
| | | Decision of NSC nr. 32/7 from 08.06.2006 | To determine the way of approving decisions of NSC by official registering. |
| | | Decision of NSC nr. 58/2 from 24.10.2006 | To change the organizational structure employment scheme and staff number of the executive Direction of NSC. |
| 9. | Regulation regarding broker and dealer activity on securities market, approved by Decision of NSC nr. 48/7 from 17.12.2002 | Decision of NSC nr. 18/6 from 28.03.2006 | To adjust the Regulation to the provisions of the Law nr.249-XVI from 21.10.2005 regarding amendments to the Law of financial institutions nr.550-XIII from 21 July 1995 and article 24 of the Law on securities market nr.199-XIV from 18 November 1998. |
| 10. | Instruction regarding the structure, way of drafting, presentation and publishing of specialized reports of professional participants on securities market, approved by the Decision of NSC nr. 4/5 from 06.02.2003 | Decision nr. 22/4 from 11.04.2006 | To adjust the Instruction to the provisions of the Law nr.201-XVI from 28.07.2005 regarding amendments to the Law on securities market nr.199-XVI from 18.11.1998, simplification of specialized reports of professional participants by excluding and changing some forms of reports presented by brokers (dealers) and National Depositary, as well as changing the periodicity of their presentation. |
| | | Decision of NSC nr. 71/7 from 28.12.2006 | Observance by professional participants of the structure of own capital (establishing requirements for presenting the information regarding the structure and components of professional participant's equity). |

| | | | |
|---|---|---|---|
| 11. | - Instruction regarding the structure, way of drafting, presentation and publishing of specialized annual reports of open-end joint stock companies;<br>- Regulation regarding the way of disclosure of information regarding events and facts that influence the financial-economic activity of open-end joint stock companies, approved by the Decision of NSC nr. 17/6 from 28.06.2001. | Decision of NSC nr. 25/4 from 25.04.2006 | To adjust the Instruction to the provisions of the Law nr.201-XVI from 28.07.2005 regarding amendments to the Law on securities market nr.199-XVI from 18.11.1998, change the blanks of specialized reports regarding the information about insiders, affiliated persons and events that may influence financial-economic activity. |
| 12. | Regulation on the way of organizing trainings, examinations and tests regarding the use of SAIT at MSE, approved by Moldova Stock Exchange Council (Proceeding nr. 09/05 from 13.09.2005) | Proceedings entry from 25.04.2006 | To change the requirements regarding persons which hold the right to pass examinations and tests for using SAIT at Moldova Stock Exchange. |
| 13. | Regulation regarding estimation of securities and assets referring to them, approved by NSC Decision nr. 36/9 from 27.12.2001 | Decision of NSC nr. 26/4 from 27.04.2006 | To avoid manipulations in calculating securities prices, to protect and ensure the rights of minority shareholders, to establish the ways of calculating control premiums and the obligation to use the method of net assets for estimation of securities prices. |
| 14. | Regulation regarding organization and execution of transactions with single lots of securities, approved by the Moldova Stock Exchange Council (Proceedings nr. 13/02 from 24.10.2002) | Decision of NSC nr. 26/5 from 27.04.2006 | To exclude the norms regarding the fact that provisions of the Regulation do not refer to the way of execution of transactions with securities from portfolios of investment funds under liquidation. |
| | | Decision of NSC nr. 40/7 from 13.07.2006 | To regulate the procedure of preparing and execution of auctions at Moldova Stock Exchange by changing information from informational communiqué, final negotiations plan, taxes of registration for single lots of securities from the portfolio of investment fund. |
| 15. | Instruction regarding tender offer of securities, approved by NSC Decision nr. 2/6 from 18.01.2001 | Decision of NSC nr. 30/10 from 25.05.2006 | To change the period of examination by NSC of documents presented for registration of tender offer. |
| | | Decision of NSC nr. 53/4 from 27.09.2006. | To amend provisions of the Instruction regarding types of transactions that may be taken into consideration for determining price of securities within the tender offer. |
| 16. | Regulation regarding the activity of National Securities Depositary, approved by the Decision of NSC nr. 3/2 from 12.02.1998 | Decision of NSC nr. 30/11 from 25.05.2006 | To determine the procedures of National Depositary activity that shall be approved by NSC and published in Monitorul Oficial. |

| | | | |
|---|---|---|---|
| 17. | Decision of NSC nr. 10/7 from 17.04.2003 regarding some measures aimed to ensure observance of legislation requirement when executing transactions with securities of open-end type joint stock companies. | Decision of NSC nr. 31/6 from 01.06.2006 | To regulate the process of executing the compulsory tender offer, registering by registrar of transactions with securities in case of their purchases by the issuer or by its insiders. |
| 18. | Recommendations regarding the distribution of not sold shares (shares of participation) of companies from portfolios of investment funds in the process of liquidation, approved by the Decision of NSC nr. 34/7 from 27.07.2005. | Decision of NSC nr. 32/6 from 08.06.2006 | To add provisions regarding the calculation of the total amount of assets from the fund portfolio, that have to be distributed by the investment manager or by the liquidation commission. |
| | | Decision of NSC nr. 61/5 from 09.11.2006 | To establish the way of distribution of non-sold shares from the portfolios of investment funds in process of liquidation. |
| | | Decision of NSC nr. 69/4 from 21.12.2006 | To change the way of calculation of the total amount of shares transacted on the organized securities market of joint stock companies from the portfolio of the investment fund. |
| 19. | Temporary regulation regarding circulation of securities on the secondary market, approved by Decision of NSC nr.8/1 from 08.02.2005 | Decision of NSC nr. 34/4 from 15.06.2006 | To adjust the respective Regulation to the amendments operated to the Rules of the Stock Exchange by decision of NSC nr. 11/8 from 16.02.2006 regarding transactions performed in the section of direct transactions. |
| 20. | Regulation regarding access to information held by National Securities Commission, approved by NSC Decision nr.25/6 from 27.06.2002. | Decision of NSC nr. 39/2 from 06.07.2006 | Identification of public information held by NSC and its disclosure by mass-media. |
| 21. | Procedure regarding application of commissions, taxes and other payments received for services rendered by Moldova Stock Exchange. | Decision of NSC nr. 40/8 from 13.07.2006 | Modification of taxes received by Moldova Stock Exchange from its members, issuers and for services rendered. |
| 22. | Procedure of registering securities at Moldova Stock Exchange | Decision of NSC nr. 43/10 from 03.08.2006 | To complete information presented to the Stock Exchange by issuers whose securities are traded at Moldova Stock Exchange. |
| 23. | Regulation regarding the way of granting and withdrawal of licenses for the activity on securities market, approved by the Decision of NSC nr. 12/1 from 28.10.1999 | Decision of NSC nr. 48/1 from 04.09.2006 | To establish exceptions for members of the investment fund council regarding cumulation of functions |
| | | Decision of NSC nr. 61/5 from 09.11.2006 | To establish qualification requirements (studies, experience) for the professional participants stakeholders. |

| | | | |
|---|---|---|---|
| 24. | - Regulation on the activity of investment management;<br>- Model-contract for investment management;<br>- Way of adjusting the activity of investment management companies to the provisions of current legislation;<br>- Additional document-type to the contract of trust creation, approved by the NSC Decision nr. 29/4 from 16.06.2005. | Decision of NSC nr. 49/4 from 07.09.2006<br>Decision of NSC nr. 69/4 from 21.12.2006 | To adjust the respective normative acts to the provisions of the Law nr.246-XVI from 28.07.2005 regarding amendments to the Law on securities market nr.199-XVI from 18.11.1998.<br>To regulate the procedure of alienation of share-parts managed by investment managers, as well as to coordinate their price with NSC. |
| 25. | Regulation regarding certification of professional participants specialists on securities market and offering certificates of qualification with the right to act on securities market, approved by Decision of NSC nr. 10/12 from 28.09.1999. | Decision of NSC nr. 61/5 from 09.11.2006 | To change the requirements for candidates that are willing to receive certificate of qualification with the right to act on securities market, to specify the conditions for cancellation, suspension and withdrawal of certificate of qualification. |
| 26. | Regulation regarding the conditions, way of issuing and circulation of banking certificates of deposit and bills of exchange. | Decision of NSC nr. 62/4 from 16.11.2006 | To coordinate the procedure of issuing and circulation of certificates of deposit elaborated by the National Bank of Moldova. |
| 27. | Instruction regarding the way of organization and execution at Moldova Stock Exchange of transactions with securities seized by fiscal authorities. | Decision of NSC nr. 66/1 from 11.12.2006 | To coordinate the procedure of selling seized securities, drafted by General Fiscal State Inspection. |

Anexa 15 Professional participants in the process of liquidation at 31.12.2006

| | Name of the professional participant | Type of professional activity under liquidation |
|---|---|---|
| 1. | OAI „Principial-E-MF" SA | investment management activity |
| 2. | OAI „Profit-E-MF" SA | investment management activity |
| 3. | BC „EuroCreditBank" SA | broker activity |
| 4. | OAI „SNM – MF" SA | investment management activity |
| 5. | OAI „SNM – MF" SA | broker activity |
| 6. | OAI „SNM – MF" SA | dealer activity |
| 7. | SRL „Audit-Grup" | audit of professional participant activity |
| 8. | SA „D-Broker" | broker activity |
| 9. | SRL „Mabrok" | broker activity |
| 10. | SRL „Registru-Ind" – DF | depositary activity |
| 11. | SRL „Proremiz" | dealer activity |
| 12. | SRL „Defend" | dealer activity |
| 13. | RI „Registru-Service" SRL | register keeping activity |
| 14. | SRL „Estima –Grup" | activity of appraising securities and assets referring to them |
| 15. | SRL „Estima –Grup" | investment consulting activity |
| 16. | SRL „Bonşeron" | dealer activity |
| 17. | SA „Exiton-Sprad" | broker activity |
| 18. | CF „Mobiastrast" SRL | investment management activity |
| 19. | SRL „Broker-Service" | broker activity |
| 20. | SRL „Real-Manager" | broker activity |
| 21. | SRL „Passim" | investment consulting activity |

# Annual Report 2006

## National Securities Commission

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