

THE IMPORTANCE OF KNOWING BUSINESS LEGISLATION FOR ENTREPRENEURS

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Abstract: In today's dynamic economic environment, understanding business legislation is a fundamental aspect of entrepreneurial success. Legal awareness ensures compliance with regulations, mitigates risks, and protects the interests of both the business and its stakeholders. Entrepreneurs must navigate complex areas such as contracts, corporate governance, taxation, labor law, and consumer protection. Moreover, staying informed about legislative changes helps businesses adapt to new requirements, maintain competitiveness, and avoid potential penalties or disputes. This topic is particularly relevant as regulatory frameworks continue to evolve, requiring a proactive approach to legal education. Legal awareness is not merely a technical requirement but a strategic asset for business owners. By understanding their rights and obligations under the law, entrepreneurs can enhance their decision-making capabilities, foster transparent operations, and build a foundation for long-term success.

The primary aim of this article is to emphasize the importance of legal knowledge for entrepreneurs and demonstrate how it can be effectively applied to everyday business operations.

Specific objectives include:

Highlighting the critical areas of business law that impact entrepreneurial activities.

Explaining the role of legal awareness in risk management and dispute resolution.

Encouraging entrepreneurs to integrate legal compliance into their strategic planning processes.

Demonstrating how understanding legislation supports sustainable and ethical business growth.

This article is based on a qualitative analysis of relevant legal frameworks, practical case studies, and a comparative review of global best practices in business law compliance. Additionally, input from legal experts and examples of common challenges faced by entrepreneurs were used to provide actionable insights. These methods ensure a comprehensive approach to the subject and underline its practical implications.

Keywords: Business legislation, legal compliance, risk management, corporate governance, entrepreneurship, sustainable growth, legal awareness.

JEL Classification: K2, K22.

Introduction. Business law is a discipline, important through the field of study, which refers to business. Seen as a distinct branch in the private law system, business law is made up of all the legal rules governing business. Business means an income-generating economic activity. Business law, as a legal branch and field of study, constitutes a set of norms and legal institutions governing commercial activities.

The usefulness of studying business law for potential entrepreneurs is for them to find the optimal way in building their own successful careers. Thus, the entrepreneur becomes responsible for the choice he made and will use the legal norms in organizing a business.

Let us also mention in the article that Business Law is a fundamental discipline studied in all faculties that train specialists in various branches of the national economy.

The content of the study material in the field of Business Law is intended to provide students with legal knowledge in the field of entrepreneurial activity, documents and acts of trade, of the interaction between the subjects of the entrepreneurial activity on one hand and between them and the state bodies on the other.

The field of Business Law includes many general aspects related to the legal regulation of entrepreneurial activity in the Republic of Moldova, subjects of entrepreneurial activity, establishment, organization and functioning of legal entities for profit, reorganization and

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liquidation of for-profit legal entities, insolvency, analysis of different types of companies, cooperatives and state and municipal enterprises, ending with the analysis of commercial contracts relevant to the business field.

Business law, as a university study discipline, takes into account the set of general rules of private law and special rules of private and public law applicable to entrepreneurs, natural and legal persons authorized in their business activity, respectively of production, provision of services, execution of works or acts of trade (Cristea, 2012).

The business has a solid normative basis, consisting of a multitude of acts that refer to various areas of the national economy. The term *business* is frequently replaced by other terms or phrases such as entrepreneurial activity, business, commercial activity, entrepreneurship activity, economic activity, etc. Businesses, in the legislation of the Republic of Moldova, are regulated as *entrepreneurship* (entrepreneurial activity).

Business law is that branch of private law that regulates patrimonial and personal social relations in the field of trade, relationships that are usually born between people who have the quality of trader and who are in the position of legal equality (Roșca and Baieș, 2011).

In the specialized doctrine, business law has different names, including that of commercial law. In the Republic of Moldova there is no trade code or business code, the business field is regulated by a wide range of special laws, including the civil code of the Republic of Moldova.

In our view, commercial law cannot be equated as meaning with business law, the first having a narrower sphere of regulation in relation to business law. Business law regulates the relations related to the production of goods, the provision of services, the execution of works, as well as the marketing of goods, while commercial law regulates only trade relations. Therefore, we can identify a gender-species correlation, business law being the gender and commercial law the specie.

The object of business law is the relationships that arise in connection with the activity of a for-profit entrepreneur between individuals and legal persons who have the quality of an entrepreneur.

Therefore, from the category of social relations, which fall under the regulatory incidence of the norms of the business law, are the following:

relationships that arise in connection with the acquisition, maintenance and cessation of entrepreneurial quality (registration of entrepreneurs, reorganization and liquidation of legal entities, cessation of the activity of individual entrepreneurs, etc.);

the relationships that appear in the activity of the entrepreneur and the production of profit (conclusion and execution of commercial contracts, execution of works, provision of services etc.);

relationships that arise between public authorities and persons who have the quality of entrepreneur (determination and collection of taxes and duties, control of activity by state bodies, etc.) (Grâu-Panțureac, 2022).

Given the fact that in the Republic of Moldova, there is no trade code or business code, we find the basic regulations for the business field in the Civil Code of the Republic of Moldova. The Civil Code is considered to be the basic organic law for regulating private relations, including for regulating entrepreneurial relations. The Civil Code contains regulations on the topics of civil legal relations, which are individuals and legal entities that practice entrepreneurial activity, establishes the right of the individual to carry out entrepreneurial activity and the ways under which he can do it, regulates the legal status of for-profit legal persons, stipulates regulations related to goods and property rights, essential in carrying out entrepreneurial activity. An indisputable importance is the commercial contracts, which provide the economic circuit, contracts regulated by the Civil Code of the Republic of Moldova (Civil Code of the Republic of Moldova, 2002).

In addition to the Civil Code of the Republic of Moldova, there are a series of special laws that regulate different segments of entrepreneurial activity.

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Both natural persons and legal persons have the right to carry out entrepreneurial activity if they meet all the requirements provided by the legislation in force. Topics of entrepreneurial activity can be people, either individually or grouped in various organizational-legal forms, who carry out an entrepreneurial activity, ie they have acquired, by registration or otherwise established by law, the quality of entrepreneurs.

Given that business law also incorporates public law rules, legal persons of public law who register, authorize, license, and supervise have the status of subjects and legal persons of public law, control the persons who carry out entrepreneurial activity, holding in these reports a dominant position (Rădulescu and Duță 2014).

The topics of entrepreneurial activity are contractors, entrepreneurs, economic agents, businessmen, etc. In the legislation of the Republic of Moldova, the term *entrepreneur* is used to designate all persons who carry out entrepreneurial activity.

In the sense the Law on Entrepreneurship and Enterprises of the Republic of Moldova an entrepreneur can be (Law of the Republic of Moldova on Entrepreneurship and Enterprises, art. 2, 1992):

any citizen of the Republic of Moldova who is not restricted in rights, in the manner established by this Law and other legislative acts;

any foreign or stateless citizen, under the legislation in force, a group of citizens or stateless persons (a group of partners) of which the collective entrepreneur is constituted;

any legal or natural person following its main purposes and with the law.

The state and local public administration authorities are special entrepreneurs. The duties of an entrepreneur to state-owned enterprises (municipal) are performed by the chief enterprise manager based on the contract concluded with him. The heads and specialists from public administration authorities do not have the right to practice entrepreneurship, whose attribution is the decision on issues related to the development of entrepreneurship or control over such activity.

One of the first decisions that the entrepreneur must make when starting a business is regarding the choice of its legal organizational form. As there is no good and bad legal form, the field of activity chosen, and the available resources will be taken into account in making the right decision, as well as the expectations of the business entrepreneur.

The potential businessman needs to know in what form he can organize his business most favorably, so it is important to know what are the forms of business organization on the territory of the Republic of Moldova.

An important factor of the entrepreneurial environment, which regulates and influences the development of the enterprise activity is the legal one. That is why the entrepreneur must also know the legal aspects of the business.

Implementing a Business Law Clinic at the Academy of Economic Studies of Moldova (ASEM) represents a significant step in applying the theoretical knowledge acquired by final-year students in the Business Law discipline. By providing consultancy to young entrepreneurs within ASEM, students develop the practical skills necessary in the legal field and contribute to supporting emerging business initiatives. This direct interaction with the real business environment facilitates the transition from theory to practice and strengthens the professional competencies of future legal professionals.

Moreover, students have the opportunity to participate in study visits to various state institutions such as the Parliament, Government, Ministries, and Commercial Banks, where they can later undertake internships and even secure employment

Business law is not limited to national legislation. In the Republic of Moldova, the process of alignment with European Union law plays a key role, especially after the signing of the Association Agreement between the Republic of Moldova and the EU in 2014. This requires

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harmonization of legislation on commercial companies, competition, consumer protection, and contract law with EU directives and regulations (Association Agreement RM–EU, 2014).

Another essential aspect is the impact of digital transformation on the business environment and business law. The Law on Trusted Services and Electronic Documents No. 124 of 18 May 2023 establishes the legal framework for electronic signatures and documents, crucial for modern business activities (Law on Trusted Services and Electronic Documents, 2023). This legislation facilitates registration, transmission, and storage of commercial documents.

A central domain of business law is the regulation of fair competition and consumer protection. The Competition Law No. 183 of 11 July 2012 provides the framework to prevent and sanction anti-competitive practices and abuse of dominant position (Competition Law, 2012). Complementary legislation for consumer protection (Law No. 105 of 13 March 2003) ensures balance between the interests of businesses and consumer rights.

From a comparative perspective, Anglo-Saxon literature often distinguishes between commercial law and business law. In foreign doctrine, business law covers not only classical commercial matters but also labor law, data protection, and corporate governance. In this sense, Business Law in the Republic of Moldova aligns more with the broader interpretation, covering all legal relations of the entrepreneur.

The introduction of Business Law Clinics at the Academy of Economic Studies of Moldova (ASEM) allows students to apply theoretical knowledge and develop practical skills while supporting emerging businesses. Study visits and internships in state institutions (Parliament, Government, Ministries, Commercial Banks) provide further professional training and experience.

Conclusion. Therefore, business law is an indispensable sector in training a successful entrepreneur, in the formation of skills that would allow the appreciation and argumentation of phenomena and situations in the business field. Business Law Institutions aim for future entrepreneurs to learn the fundamental legal notions of setting up and developing a business, learning the legal language and mastering the principles of law that govern the business environment. The entrepreneurial potential will acquire the necessary skills to use the legislation applicable to the business sector. As a fundamental field, business law is meant to provide the entrepreneur with the necessary knowledge to penetrate the essence of legal norms in the field of entrepreneurial activity.

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