

1. National Trade-related Legislation for Romania

The EU's trade-related legislation forms the basis of Romania's national trade-related legislation, especially in the spheres of general interest to Hong Kong businesses interested in the EU. Such is the case in all matters concerning international trade with third countries (e.g., the full body of EU customs law including the common customs tariff and the trade defence measures – such as anti-dumping measures – that must be applied by the Romanian customs authorities), but also in the case of regulatory measures as regards international trade: those concerning, among others, product safety and standards, labelling requirements and environmental regulations.

We provide below specific national regulatory requirements which are believed to be of some concern to Hong Kong businesses. For a more detailed analysis of all the regulatory laws, particularly those related to consumer goods placed on the EU market, Hong Kong businesses may refer to the relevant EU sections. Such laws (and standards) are required to be transposed and implemented in all the EU Member States.

1.1 Product Standards¹

The goals of Romanian Standards Association (*Asociatia de Standardizare din Romania* or *ASRO*²) are to design national standards, participate in safeguarding European and international standards and offer national certification of conformity with Romanian standards. ASRO also represents Romania at international level in the various standardisation fora, therefore also transposing international and European standards as Romanian standards, a step necessary for the international and European standards to become enforceable in Romania.

¹ Applicable legislation: Law 163 / 2015 regarding national standardisation

² www.asro.ro

Product standards issued by ASRO can be recognised by one of the following abbreviations:

- SR – conformity with Romanian product standards
- SR-S – conformity with Romanian security standards
- SR EN xxx – European product standards, transposed as Romanian standards
- SR ISO xxx, SR CEI xxx or similar – international product standards, transposed as Romanian standards
- SR ETS xxx v.1.1.1 – refers to European Telecommunication Standards, adopted as Romanian standards. V.1.1.1 refers to the version of the standards transposed.³

Romanian standards are generally adopted on a voluntary basis. However, if public order, protection of life, health and security of people, environment or consumers' interests are involved, the standards can be made mandatory. In this case they can be partially or totally mandatory, at local, regional or national levels.

All European levels must be transposed into Romanian standards and, as European standards emerge, they replace similar national standards.

1.2 Labelling Requirements

As a rule, only products and services that are safe for use under normal conditions and do not endanger consumer's health and security can be marketed in Romania⁴. The sale of counterfeited and contraband products is illegal.

³ Updates to ETS standards – also known as versions – can co-exist for a time with the previous form of the standard, thus making it necessary to refer to the version of the standard transposed into national standards.

⁴ Applicable legislation: Law 21 / 1992 regarding consumers' protection

Product labels must be clear, visible, easily understandable and non-erasable. They must include the product's name, producer, quantity, best before date, main quality and technical characteristics, ingredients or composition, including additives, possible foreseeable risks, indications for usage, handling, transport, storage and preservation, as well as any contraindications. All products can be sold only within their term of validity or before their expiry date, as set by the producer. It is illegal to change the original best before date printed on the package.

Labelling requirements for food products⁵

As a member of the EU, Romania must comply with the EU legislation regarding food labelling and safety. In addition, businesses can choose to apply FAO's Codex Alimentarius standards in international relations, on a voluntary basis. Unless provisions in the Codex Alimentarius have been included in the EU legislation, they are not considered mandatory.

The national contact point for Codex Alimentarius in Romania is the National Sanitary Veterinary and Food Safety Authority (ANSVSA)⁶. Part of ANSVSA's activity implies analysing whether provisions in the Codex Alimentarius should become part of the national legislation. If so, ANSVSA drafts Romania's position regarding the Codex and negotiates it with the corresponding authorities in all EU member states. Once a common position on the subject is reached, specific provisions in the Codex Alimentarius can become part of the EU legislation, and thus applicable at national levels.

The existing legislation regarding the labelling of food products applies to products sold to final consumers, hospitals, restaurants and any other businesses that prepare and sell food to the general population. The labelling information must be clear, easily identifiable, non-erasable and printed in Romanian (alongside other languages, if the case).

The label must include:

⁵ Applicable legislation: Decision no 106 / 2002 regarding labelling of foodstuff

⁶ www.ansvsa.ro

- a) **the product's name** – the product's name can be the usual name used in Romania for that type of product or the product's description and use, as long as it's clear enough for the consumer to recognise and distinguish the product from similar ones.

In case of products originating within or outside the EU, it is acceptable to use a product's commercial name, under which it is legally produced in the country of origin, as long as the name allows consumers to properly identify the product. In case proper identification is not possible, additional descriptions must be added to the product's name.

Brands, trademarks or slogans cannot be used as product names. It is not allowed to use words such as "like", "of the sort", "of the type" next to the product's name.

The product's name must either include or be accompanied by information relating to its physical status or specific processing it underwent, such as: powdering, refrigeration, freezing, smoking or condensation, in case omitting such information would be confusing to the consumer. Products that have been subjected to ionising radiation, must be marked so.

- b) **a list of ingredients** – this is a list of all substances, including additives used for producing or processing, vitamins and minerals, listed in reverse order of quantity. When one of the ingredients is made of several other ingredients, then these are considered ingredients of the final food product.

Certain ingredients do not have to be listed, such as: components of an ingredient that have been separated during the production process, to be added back later on, within the same volume or quantity; additives contained by one or more of the ingredients as long as they do not have any function in the final product; auxiliary technological additives, solvents or support-substances for additives or aromas; substances that are not additives but have the same function as technological auxiliary substances, which are present in the final product.

- c) **the quantity of certain specific ingredients** – the quantity of certain ingredients must be included in the label when: the ingredient or group of ingredients bears the same name as the product or it is usually associated with the product’s name by the consumers; the ingredient or group of ingredients is highlighted on the label through words, charts or pictures; the ingredient or group of ingredients offers specific characteristics and differentiates the products from similar ones.

- d) **net weight for pre-packaged products** – must be done in volume units for liquid products and mass units for other products, using liter, centiliter, milliliter, kilogram or gram, as needed. In case two or more products are packaged together, the label must indicate the net weight of one individual product, as well as the number of products in the package. If the number of products included can be easily counted by consumers, then the label can omit mentioning the number. In case two or more products are packaged together, but cannot be sold independently, the net weight must refer to the total weight of the products and the number of individual products contained. For solid products sold in liquid environment, such as canned goods, the label must include the net weight, as well as the solid component.

- e) **minimum validity date or the “best before” date** – the label must indicate the product’s best before date, as well as information related to storage and preservation conditions. Labels for products with a validity under 3 months, must indicate the day and month of expiry; labels for products with a validity of more than 3 months but less than 18 months, must indicate the month and year of expiry; labels for products with a validity of more than 18 months, must indicate the year of expiry. The validity duration printed on the original label cannot be modified.

Labels for highly perishable products must replace the validity date with a “expires on” date, which includes the day, month and year of expiry.

- a) **the producer’s name and headquarters** (or the name and headquarters of the importer or registered distributor in the EU). In case of products

originating outside the EU, the name and headquarters of the Romanian importer or registered distributor must be included.

- b) **place of origin**, if not revealing the product's origin might mislead consumers regarding the product's place of origin,
- c) **storage indications** when specific conditions for storage must be met,
- d) **directions for using the product** if the lack of such directions could lead to misuse of the products,
- e) **alcohol content** for drinks with more than 1.2% by volume– the label for drinks with an alcohol content of at least 1.2% by volume, except for some types of wines (positions 2204 and 2205 of Romania's Customs Tariff) must include the product's alcohol content, which must be expressed in % by volume, relative to the reference temperature of 20°C. The alcohol content is expressed as "alcohol xx.x% vol." or "alc. Xx.x% vol." giving a single decimal.
- f) **the production lot** – with some exceptions, such as the sale of individual servings of ice-cream or the sale of products that are packaged at the point of sale at customer's request, the number of the production lot must be printed on all sold products. Indication of the production lot is preceded by the letter L, except for cases when the lot number is easily distinguished from the other labelling information. In case of pre-packaged food, the lot number is printed either on the package or on the label attached to the package. In case of non-pre-packaged food, the lot number can be printed on the package, on the container or, if both are missing, on the accompanying documents. The lot number must be easily identifiable and non-erasable.

For certain products, additional information must be printed on the label⁷ (powder milk, condensed milk, dairy products, meat products, coffee and derivatives, mineral and spring waters, etc.). In addition, labels for food

⁷ Applicable legislation: Decision no 106 / 2002 regarding labelling of food products (Annex 1a)

products produced under certain conditions (such as products whose validity period has been expanded with the use of sanitary approved gases) or with certain ingredients (such as sweeteners, sugar, aspartame, polyols, ammonium salt, etc.) must bear specific inscriptions.

Pre-packaged food products. The labelling information described above must be printed either directly on the package or on a label glued to the package, in case of pre-packaged food products. The information must be easily visible, clear and not hidden or erasable. It is allowed to include the labelling information above only in the accompanying documents when pre-packaged food products are marketed in an intermediary form of sale to final consumers or to businesses preparing and supplying food to final consumers. In this case, the package should still indicate the product's name, best before date and the name and address of the producers/importer or distributor.

Non-pre-packaged food products. The labelling information in case of non-prepackaged food products that are sold to final consumers, to businesses preparing food for final consumers, packaged at the point of sale at the consumer's request or pre-packaged for immediate sale will be printed on the product, on a poster or in any other form that does not confuse consumers. The minimum information printed includes the product's name, best before date and ingredients.

Labelling requirements for non-food products

1) Crystal glass products⁸

Besides the general labelling requirements that apply to all products sold in Romania, crystal glass products must meet several specific labelling and marking requirements:

- A round, golden marking, at least 1cm in diameter, inscribed with PbO 30% or PbO 24% for superior crystal or lead crystal

⁸ Applicable legislation: Decision 134 / 2002 regarding characteristics, classification and marking of crystal glass products sold in Romania

- A square, silver marking, at least 1 cm wide in case of crystalline glass
- A triangular, silver marking, at least 1 cm wide in case of crystalline – sound glass

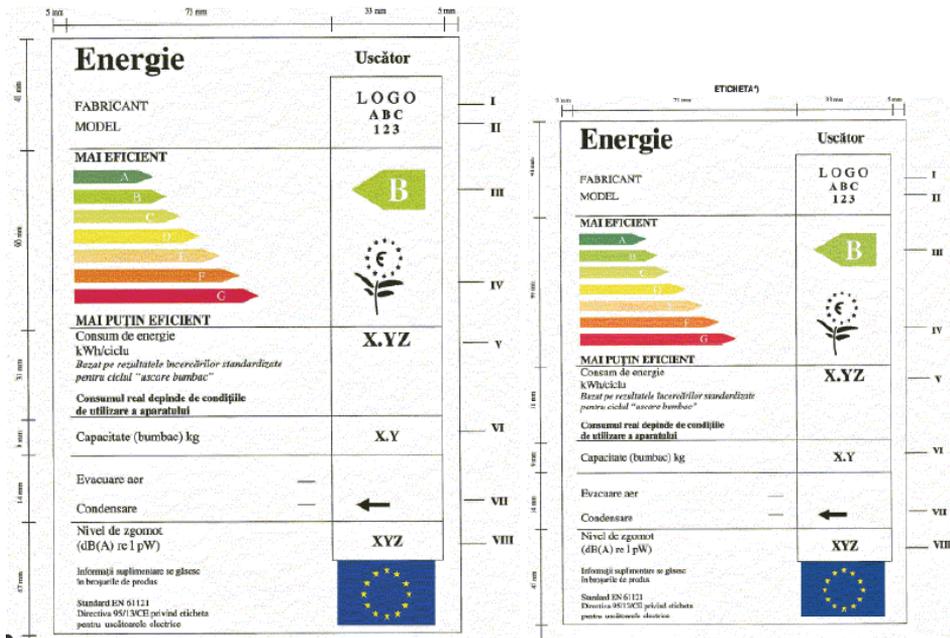
2) Electrical and electronic appliances for domestic use⁹:

a. Dryers and domestic appliances with drums

All dryers, except for the ones that can be connected to other energy sources, and all domestic appliances with drums, except for combined washing and drying machines must meet several labelling requirements. The label must be applied on the exterior of the appliance, on the front side, without the possibility of being masked. The label must include information regarding the electricity consumption as well as additional information:

- Name of the supplier or supplier's commercial brand
- Identification element for each model
- Energy efficiency class
- A copy of the ecolabel can be included in the label
- Electricity consumption expressed in kWh / cycle for the "drying cotton" cycle
- Estimated cotton capacity expressed in kg
- Type of dryer (with air evacuation or condensation)
- Noise level.

⁹ Applicable legislation: Decision 736 / 2006 regarding the labelling and energy efficiency requirements for sales of dryers and domestic appliances with drums; Decision 1056 / 2001 regarding energy labelling of electrical lamps for domestic use; Decision 456 / 2006 regarding the labelling and energy efficiency of electric ovens for domestic use; Decision 217 / 2012 regarding labelling and energy efficiency of refrigerating appliances for domestic use.

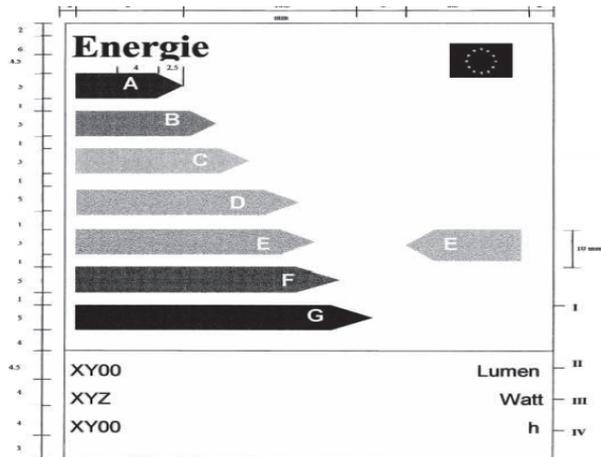


The supplier is responsible for providing the label, while the distributor is responsible for applying the label on the appliance. The label must be printed in Romanian but can be accompanied by labels in other languages. Labels that do not meet the legal requirements cannot be applied on any of the appliances sold in Romania.

b. Electric lamps for domestic use

Electrical lamps for domestic use can be sold in Romania only if they are labelled on the exterior of the individual packaging with the energy efficiency class. If the label is not printed directly on the packaging, only colour labels should be used. For applied labels, it is possible to use black and white colours and colourful backgrounds and text, if the label remains readable.

The appliance's producer or authorised representative is responsible for supplying the label and the distributor is responsible for applying it to the product. The label must be printed in Romanian and can be accompanied by labels in a different language.



The label must include the following information:

- Energy efficiency class
- The lamps' luminous flow expressed in lumen
- The electric power expressed in watt
- The average lifespan of the lamp expressed in hours

If the last three information is printed elsewhere on the package, they can miss from the label. The label must be framed with a 5mm line. In case the package is not large enough to include the label or the label covers more than 50% of the largest side of the package, the label and the frame can be reduced in size (down to 40% of the standard size, lengthwise). If the package is still too small to include the reduced label, the label can be attached to the lamp or to the package. Also, it is allowed to post a label close to the product (e.g. on the shelf) instead of on the package.

c. Electric ovens for domestic use

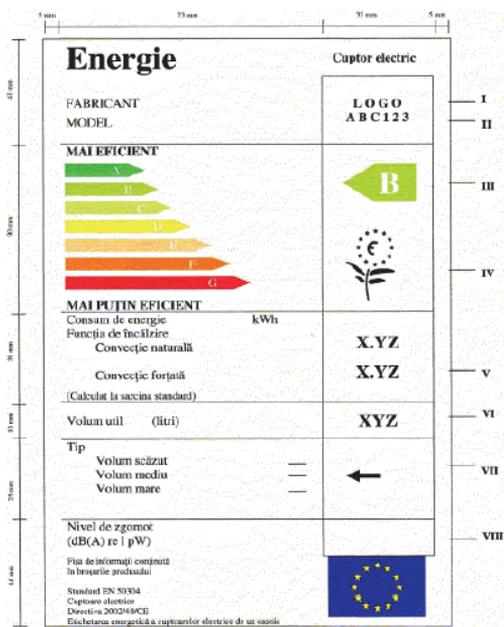
Only electric ovens that meet the specific labelling requirements can be sold in Romania. Ovens that can be connected to other sources of energy, ovens that do not have to meet harmonised standards, as well as ovens weighing

less than 18 kg that are not integrated into a cooking machine for domestic use do not have to meet the labelling requirements.

The appliance's supplier is responsible for supplying the label and the distributor is responsible for applying it to the product. The label must be printed in Romanian and can be accompanied by labels in a different language.

The information that must be printed on the label includes:

- The supplier's name or commercial brand
- Identification element for the model
- Energy efficiency class
- A copy of the ecolabel can be included on this label as well
- Energy consumption expressed in kWh for the heating functions (natural convection and/or forced)
- Useful volume of the oven's interior expressed in litre
- Type of oven: large volume (12-35 l), medium volume (35-65 l), small volume (12-35 l)
- Noise level during operation for the function for which energy efficiency is indicated.



d. Refrigerating appliances for domestic use

Refrigerating appliances for domestic use sold or rented in Romania must bear a label that indicates the electricity consumption, other resources

consumption (such as water, chemical agents or any other resources needed during product operation) as well as additional information (other information related to product performance and characteristics that refer to energy consumption or other resources consumption or that provide help in evaluating such consumption based on measurable data).

The appliance's supplier is responsible for supplying the label and the distributor is responsible for applying it to the product. The label must be printed in Romanian and can be accompanied by labels in a different language.

3) Batteries and portable accumulators¹⁰

Batteries and portable accumulators sold in Romania must be marked with the specific symbol for battery waste collection (a wheeled waste bin crossed with an X). Batteries, accumulators and button batteries that contain more than 0.0005% mercury and more than 0.002% cadmium or more than 0.004% lead must be marked with the symbol for each substance: Hg, Cd or Pb. The marking must cover at least 3% of the largest surface of the battery or accumulator, up to a maximum surface of 5x5cm². In case of tubular products, the size of the sign is at least 1.5% of the surface of the product, up to a maximum of 5x5cm². If the product is so small that the marking will be smaller than 0.5x0.5cm², the marking can be applied to the packaging instead of directly on the product. The marking applied to the packaging must be at least 1x1cm² in size.

The markings must be visible, easily readable and non-erasable.

1.3 Environmental Protection and Waste Treatment Requirements in Relation to Merchandise Sales

Environmental protection

¹⁰ Applicable legislation: Decision 1132 / 2008 regarding battery and portable accumulator regime.

All companies operating in Romania are required to act to prevent environmental damage and must comply with the “*polluter pays*” principle. The importer of a product, not the company that sells the product to the consumer is responsible for disposing of the packaging waste. Enterprises are required to prepare and observe waste prevention plans and firms must install at their own costs monitoring equipment for all emissions, reporting the findings to the competent authorities. All accidents that can affect the environment need to be notified to the authorities.

Waste resulting from their operations must be disposed of in authorised places. Waste cannot be deposited over time and must be handed to specialised operators, based on service contracts.

An inventory of waste handed to collectors must be submitted annually to the local Environmental Agency. A copy of all contract for waste collection must be kept by companies. Also, a monthly record of waste produced must be kept by all companies. Dangerous waste producers must have monthly analysis certificates for the waste produced, which must be transmitted on request to the competent authorities. Records of the reports submitted to the authorities must be kept for at least 5 years.

Waste must be sorted into:

- | | |
|---------------------|---|
| ✓ Domestic waste | ✓ Metal |
| ✓ Paper – cardboard | ✓ Batteries – accumulators |
| ✓ Plastic | ✓ Electronic equipment waste |
| ✓ Glass | ✓ Dangerous waste (cartridge ink, etc.) |
| ✓ Wood | |

Companies that do not selectively sort waste are obliged to pay a RON2/kg fee for each un-sorted kilogram of waste collected to the Romanian Environmental Fund. By law, by 31 December 2020, all companies producing waste must prepare to recycle at least 50% of the paper, metal, plastic and glass waste produced.

Waste management specialist¹¹

All companies functioning in Romania are required to have at least one employee specialised in waste management, that would monitor and ensure the fulfillment of liabilities under the law. It is possible to delegate this duty to a specialised company authorised by the Ministry of Environment.

The employee should be trained in waste management, including dangerous waste, graduating a specialised course. Failure to comply with this requirement is punished with a fine ranging from RON15,000 to RON30,000.

Contributions to the Environment Fund

There are several contributions companies can be required to make towards the Environment Fund, depending on the specific activities of each company:

- For example, a 3% contribution out of the income derived from the sale of ferrous or non-ferrous metallic waste obtained by the waste generator is payable by natural or legal entities. The amounts due are withheld at source by the entity that carries out waste collection and/or recovery activities, which is liable to forward the sum to the Environment Fund.
- A RON2/kg contribution is owed by economic operators that place on the national market packaged goods (the importer), or that distribute for the first time on the national market sales packaging, as well as by operators that rent packages in any form, in a professional manner. The contribution is due for the difference between the real recycled or incinerated packaging and the minimum targets for recycling or incineration.
- A 2% contribution out of the income derived from the sale of wood and/or wood materials is payable by the administrator or the forest owner. Firewood, ornamental trees, shrubs, Christmas trees, wicker and seedlings are exempt from this tax.

¹¹ Applicable legislation: Law 2011 / 2011 on waste treatment

- A RON2/kg of tires contribution is owed by economic operators that place on the national market new and / or used tires for reuse. The contribution is calculated for the difference between the quantity of tires corresponding to the annual management liabilities and the actual quantity managed.
- The contribution economic operator owe for electrical and electronic equipment is calculated as follows:
 - As of 1 January 2018, for the difference between the quantities of electrical and electronic equipment waste corresponding to the annual collection target mentioned in the legislation and the actual collected quantities.
 - Between 1 January 2017 and 31 December 2017, for the difference between the quantities of electrical and electronic equipment declared as being placed on the national market and the quantities established by the Environmental Fund Administration as being place on the national market.
- A contribution of RON4/kg for batteries and portable accumulators is owed by economic operators that place on the national market batteries and portable accumulators. The contribution is calculated as follows:
 - As of 1 January 2018, for the difference between the quantities of batteries and portable accumulators waste, corresponding to the annual collection targets, mentioned in the legislation, and the actual quantities collected
 - Between 1 January 2017 and 31 December 2017, for the difference between the quantities of batteries and portable accumulators declared as being placed on the national market and the quantities established by the Environmental Fund Administration as being placed on the national market.

- A RON0.1/unit ecotax is applied to bags and shopping bags with an integrated or applied handle, made of materials obtained from non-renewable resources. The ecotax is collected from economic operators that place such packaging on the national market. The ecotax is distinctly reflected on sale documents and its value is visibly displayed at a point of sale to inform final consumers.

Electrical and electronic equipment¹²

Economic operators that obtain and sell electrical and electronic equipment must provide customers with information regarding the collection costs and the places where the equipment waste can be handed over. Not complying with this regulation is sanctioned by law with fines up to RON50,000.

When buying a new appliance, the consumer is entitled to request the disposal of the old appliance by the distributor, free of charge, with the same delivery conditions as for the new product. The consumer must be informed of this possibility before purchasing a new appliance. Distributors can refuse the collection of contaminated EEE waste that can jeopardise the health of its employees.

Distributors who sell electrical and electronic equipment in areas over 400 sqm, must provide free-of-charge collection of very small EEE waste from final consumers, either within the commercial area or in the area immediately close to it.

Also, the electrical and electronic equipment manufacturers are required to register in the national registry of manufacturers, being provided a registration number that shall be communicated by them to all trading networks through which the equipment is sold. Failure to comply with the regulation is sanctioned by law with fines ranging from RON40,000 to RON50,000 and a temporary suspension of the activity.

¹² Applicable legislation: Emergency Ordinance 5 / 2015 regarding electrical and electronic equipment waste

At the same time, the economic operators that manufacture or import electrical and electronic equipment from a third country or from another EU member state that is not for sale, or for which they do not hold the capacity of manufacturers, are required to keep a record of this equipment and to hand over the waste generated by the said equipment only to entities authorised for collecting and/or treating the waste resulting from electrical and electronic equipment. Failure to comply with the regulation is sanctioned by law with fines ranging from RON30,000 to RON40,000.

Moreover, legal entities owning electrical and electronic equipment waste, including the waste resulting from equipment imported for own use, are required to hand over the waste to the authorised collection systems. Non-compliance with the regulation is sanctioned by law with fines ranging from RON10,000 to RON20,000.

Batteries¹³

Companies who intend to sell batteries or accumulators must register in the national register for batteries and accumulators' manufacturers and importers, managed by the Ministry for Environment and the Environmental Protection Agency (ANPM)¹⁴. Distributors cannot sell batteries and accumulators produced by manufacturers that are not registered in the national register.

Battery and portable accumulators' producers must collect at least 45% of the used batteries and accumulators. Producers are required to organise their own collection network for used batteries and accumulators or outsource the process to specialised companies. The choice must be notified to the Environmental Protection Agency, each year, by 28 February.

In addition, producers must keep a record of the type, number and weight of the batteries and portable accumulators introduced on the market, the

¹³ Applicable legislation: Decision 1132 / 2008 regarding battery and accumulator regime

¹⁴ http://www.anpm.ro/deseuri-de-baterii-si-acumulatori/-/asset_publisher/yOwbAVCDtpJK/content/produc%C4%83tori_de_baterii_%C5%9Fi_acumulatori_%C3%AEEnregistra%C5%A3i_%C3%AEEn_registrul_produc%C4%83torilor_de_baterii_%C5%9Fi_acumulatori

batteries and accumulators collected as waste and the points of collection. Producers are required to design collection systems for battery waste that ensure enough collection points for end consumers to easily dispense of their battery waste. Distributors must accept battery waste free of charge. End users cannot be conditioned to acquire a new battery or portable accumulator when disposing of used batteries or accumulators.

The same conditions apply to manufacturers of industrial batteries and accumulators and manufacturers of batteries and accumulators for the automotive industry, including their representatives. They are also required to hand over the waste collected to specialised companies for treating and disposing of battery and accumulator waste. End users of industrial batteries and accumulators must hand over used batteries and accumulators to distributors of such products, agents who offer replacement services for such products, collection points or the producer.

Distributors of batteries and accumulators for vehicles must add a deposit to the selling price of the products. The deposit collected cannot exceed 10% of the selling price of the battery or accumulator. Both new and used batteries and accumulators must be stored in special, fenced areas, protected against accidental leaks. The waste collected must be handed over to specialised companies, authorised to dispose of battery waste. A sign informing consumers of the possibility to dispose of batteries for vehicles must be placed in a visible spot. The price of a new battery or accumulator must be visible and accompanied by the price of the deposit. The deposit must be mentioned separately on the invoice issued to final consumers. Based on this invoice, distributors must reimburse the client the value of the deposit if the client hands over a used accumulator or battery within 30 days from the initial purchase.

Manufacturers of batteries and accumulators must organise information campaigns targeting end users, disseminating the following minimum information:

- The potential impact of the substances contained in batteries and accumulators on the environment and human health
- The importance of not disposing of battery waste as municipal unsorted waste and the opportunity to dispose of such waste selectively
- Access to collection and recycling points
- The role end user play in the recycling process
- The label used on waste collection bins for batteries and accumulators.

Packaging waste¹⁵

Only packages that meet the criteria included in Romanian or EU harmonised standards can be introduced on the market. Companies that introduce packaged products on the market are responsible for the packages that become waste. This cover primary, secondary and tertiary packages, except for packages that are used at the point of sale.

Also, companies that rent out packages as a professional service are considered responsible for those packages.

Packaging producers or producers of packaged goods must mark and identify packages so as to allow the selective collection and recycling of packaging waste:

- Blue containers for paper waste
- Yellow containers for plastic, metal and composite waste
- Green/white containers for coloured/white glass
- Red containers for dangerous waste

¹⁵ According to Law 249 of 2015 regarding the management of packages and packaging waste

Re-usable packaging producers must employ a collection, depositing and distribution system that allows for an optimum number of re-uses of the packages. Such packages need to be marked with “ambalaj reutilisabil”.

Companies using re-usable packaging must inform consumers of the possibility to return the packaging. If a reusable package will no longer be collected, the company selling packaged goods needs to inform its consumers and accept the return of the withdrawn package for another 6 months. Companies need to set up either a barter system for returned packages or to reimburse consumers for the value of the deposit made for the returned package.

Consumers cannot be conditioned to take responsibility for any packages that become waste by restricting their legal rights.

Starting with 1 July 2018, the introduction of thin and very thin plastic bags with a handle on the market is prohibited and starting with 1 January 2019, the sale of such bags is banned.

Failure to comply with existing legislation regarding environmental protection and packaging waste can lead to fines ranging from RON10,000 to RON25,000 (for companies that do not offer waste collection points to their clients). Failure to accept reusable packaging from clients or to reimburse the value of the deposit for the package, leads to fines ranging between RON8,000 and RON15,000.

Product safety¹⁶

Only products that are considered safe can be sold in Romania. A product's safety is judged against existing EU, Romanian and/or national standards in the country of origin, as well as against legal requirements for specific products, general guidelines for evaluating product security, best practice cases regarding product security, existing technical and scientific knowledge and the consumers' reasonable expectation regarding product safety.

¹⁶ Applicable legislation: Law 245 / 2004 regarding general product safety

Manufacturers are responsible for providing sufficient information to end users to allow the evaluation of a product's risks throughout the product's average life cycle, especially when the risks are not immediately obvious in the absence of a proper warning. Placing a warning on the product does not absolve the manufacturer of the product safety obligations.

Distributors must also comply with product safety requirements and must prevent from selling products they are aware or should be aware are not up to safety standards, according to the information available. Distributors must monitor product safety and retain all documentation indicating the product's origin. Distributors must also assist producers and the competent authorities in any action taken to mitigate risks.

If manufacturers or distributors are aware or should be aware of risks to product safety, they must inform the competent authorities immediately. In Romania, the National Authority for Consumer Protection¹⁷ is responsible for product safety. The following information must be provided as soon as possible to the authorities when product safety risks are identified:

- Information allowing the exact identification of a product or a lot of product affected by the risk.
- A complete description of the risk to product safety for the identified products
- All available information allowing product identification
- A description of actions taken to prevent risks to consumers.

¹⁷ www.anpc.gov.ro/

2. Currency Exchange and Regulations

Currently, Romania is not part of the Eurozone, but it is obliged to adopt the Euro at a future time. Once all the nominal, legal and real convergence criteria have been met the country will change from its current currency (RON) to the Euro.

The Committee for Changeover to the Euro – comprising the Prime Minister, Minister of Public Finance, the Governor of the National Bank and other relevant public authorities and representative of employers and trade unions – oversees the Euro adoption process. However, currently, there is no definitive timeline for Euro adoption.

As a rule, payment between residents is done in the national currency, RON¹⁸ and salaries and workers' compensations can be paid out only in RON. Certain types of residents can, however, make or collect payments in other currency (e.g. within international commercial contracts or businesses that operate in free areas such as airports or ports or on board of internationally bound planes, trains or ships, etc.)

Non-residents can purchase financial assets issued either in RON or other currencies, can open bank accounts in various denominations at Romanian credit institutions and can transfer their financial assets abroad.

Romanian residents, either natural or legal persons, must declare all money transfers to or from abroad over the limit of EUR15,000, irrespective of the number of instalments the payment is made into¹⁹. In January 2018, a proposal to lower this threshold to EUR10,000 was made. The threshold will be applicable to one-payment or multiple-payments cash or online transactions that add up to EUR10,000 at the end of 30 days. The minimum value of an instalment is EUR1,000 and instalments must be connected to the same commercial contract to be considered.

¹⁸ Applicable legislation: NBR Regulation no 6 / 2012 regarding currency exchange operations

¹⁹ Applicable legislation: Law 656 / 2002 regarding the prevention of money laundering and terrorism financing

3. Common Payment Methods

In B2B transactions the most common payment method is the payment order, where the client orders its bank to transfer into the supplier's bank account the value of the invoice received. In 2016, more than 263 million payment orders have been operated in Romania. Payment orders can be used by both legal persons and natural persons. The average time for receiving funds using a payment order is 2 days.

As a member of the EU, Romania is also part of SEPA, which allows for international payment orders within the EU/EEA at the same cost as national transactions (for transfers under EUR50,000).

With direct debit payments, the client's bank account is charged directly by the supplier's bank for the value of the invoice. The client must pre-authorise the debit of his/her account by the supplier. This type of instrument is mostly used in B2C transactions, for the payment of recurring expenses, such as utility bills, credit card payments, etc. In 2016, 10.8 million payments have been done using direct debit.

Cheques are less commonly used, mostly in B2B transactions. In 2016, 1.6 million payments have been done using a cheque. The average time for receiving funds using a cheque payment is 5 days. Other non-cash payment instruments include promissory notes and bills of exchange, both used mostly in B2B transactions.

At the end of December 2017, around 16.4 million cards had been issued in Romania, out of which 13.6 million were debit cards and 2.8 million were credit cards²⁰. At the same time, around 11 thousand ATM units were installed across Romania.

²⁰ Data source: NBR Data set for December 2017, consulted on 08 May 2018, available at www.bnro.ro/Raport-statistic-606.aspx

Limitations for cash payments

Currently, businesses, irrespective of their form of incorporation, cannot make or collect payments in cash, irrespective of the currency²¹. Several exceptions to this rule exist however. In addition, all money transfers, in cash or non-cash instruments, above EUR15,000 must be reported to the authorities.

B2B cash payments

Businesses can collect payments from other businesses if the value of the payment is less than RON5,000 per day per business and can make cash payments to other businesses of no more than RON5,000 per day per business and no more than RON10,000 in total per day. Invoices of more than RON5,000 cannot be paid in several cash instalments to avoid the cash daily limit. However, businesses can pay part of the invoice in cash (up to RON5,000) and the rest in non-cash instruments.

Also, cash & carry shops can collect payments from businesses within a daily threshold of RON10,000 per business. Businesses that are clients of cash and carry shops can make cash payments to the shop of no more than RON10,000 per day. Invoices of more than RON10,000 cannot be paid in several cash instalments to avoid the cash daily limit. As above, part of the invoice can be paid in cash (up to RON10,000) and the rest in non-cash instruments.

B2C and C2B cash payments

Natural persons can make cash payments to businesses representing assets transfers, loans or other funding, but also representing payment for goods or services received. The daily threshold for this type of cash payment is RON10,000 per person. Invoices greater than this value cannot be paid in several cash instalments to avoid the daily cash limit for transactions, except for payments made within sales contracts with instalment payment conditions. Businesses can also make cash payments to natural persons within a daily

²¹ Applicable legislation: Law 70 / 2015 regarding financial discipline for cash payments

limit of RON10,000 per person. Companies cannot incentivise their clients to make cash payments.

At present, the Parliament is debating a change to the current legislation which would make it mandatory for businesses to present justification when making online payments to natural persons. Currently, banks cannot ask for justification when processing payments from businesses to natural persons. The proposal has been voted favourably in the Senate (in February 2018) and awaits the vote in the Lower Chamber.

Cash payments between natural persons

Natural persons can make cash payments to other natural persons within assets sales contracts or for loans within a daily limit of RON50,000 per transaction. Payments of more than RON50,000 cannot be paid in several cash instalments to avoid the daily limit.

4. Appointment of Sales Agents / Representatives

4.1 Recruitment of Agents and Representatives

Sales agents

In Romania, sales agents sell goods or provide services in the client's name, who agrees to pay them a commission. They can be either employees or self-employed persons. For employing sales agents as regular staff, please see Chapter 8 on Employment.

Self-employed sales agents work on commission²². The commission contract must be concluded in writing, under private signature. The sales agent must comply with all the client's requirements. However, the agent has some leeway in following instructions for his/her client. In case there is no sufficient time to ask for the client's approval or if, based on experience, the agent considers that the client would have approved a certain action and the change in action does not alter the nature, goal or economic conditions of the commission contract, then the agent can choose to act differently than instructed. The agent must always inform their client of any variations from given instructions.

Representatives

Representatives can be appointed through a mandate contract with representation powers.²³ Such a contract can be concluded in writing, under private signature or verbally. Mandate contracts can be free of charge or paid; in most professional representation contracts the representatives are always entitled to receive a commission.

If the representative and their client do not indicate differently, the mandate expires in 3 years from conclusion. A general mandate contract gives the

²² Applicable legislation: Law 287 / 2009 Civil Code, art. 2043

²³ Applicable legislation: Law 287 / 2009 Civil Code, art. 2009

representative administration and conservation powers. For the representative to be able to sell, negotiate or involve the client's responsibility in any way a secondary, special mandate must be given.

As a rule, the representative cannot exceed the powers given in a general or special mandate. However, the representative can act differently than instructed without the client's approval if there is no way to notify the client of a change in circumstances and, based on experience, the representative considers the client would have approved of the change in action. The representative must, however, notify the client of the altered course of action. He/she must also inform the client of any changes in the conditions on which the mandate is based on, leading to changes or termination of the mandate contract.

The representative cannot be held accountable for the actions of a third party towards the client, except for third party insolvency cases that were known to the representative at the time of concluding the contract between the third party and the client.

A representative must fulfill their obligation in person if he/she has not been authorised to subcontract their obligations. The representative can subcontract part of their obligations, without prior approval from the client, if force majeure prevents them from fulfilling the contract or they are unable to contact the client and ask for approval or based on experience, the representative considers the client would have given his consent after being informed of the context. Any subcontracting must be notified to the client as soon as possible. If the subcontracting was approved, the representative cannot be held accountable for the subcontractor's actions but is responsible for selecting and instructing the subcontractor.

4.2 Commissions and Other Compensations

The *self-employed sales agent* is entitled to receive the commission if the conditions of the commission contract have been followed, even if the third party chooses to not fulfill the contract concluded because of the agent's

activity. The sales agent is not liable for the third parties' actions. However, the agent can choose to guarantee execution of the contract concluded with the third party, in which case the agent is entitled to an additional commission "for warranty". If the agent is not paid, then he/she can keep the goods he is entrusted to sell, up to the value of the unpaid commission.

For *representation*, the client must provide the representative with all the necessary resources for representation and must reimburse the representative all expenses made for representation, with interest. Any losses incurred by the representative must be reimbursed by the client. The client must pay the fee the representative is entitled to, even if for reasons not imputable to the representative, the mandate could not be executed. The representative can keep the goods they are provided with for representation, in case of non-payment, up to the value of the unpaid fee.

5. Establishment of Sales Offices / Subsidiaries

Foreign companies can set up local subsidiaries in Romania, as long as the law in the country of origin permits it. There are several ways for building a local presence in Romania. Depending on the desired level of autonomy of the future Romanian office, foreign investors can choose to incorporate a *registered branch office*, a *secondary place of business* or a *subsidiary*.

By far, the most common practice is a subsidiary, usually in the form of an limited liability company (SRL). The procedure of setting up a subsidiary will be described in Chapter 6.

A registered branch office has no legal personality, while a subsidiary does. Setting up a subsidiary involves the same procedure and obligations as setting up any business in Romania and it is detailed in the next chapter. It should be noted that the Romanian subsidiary of a foreign company is considered a Romanian legal person, irrespective of the nationality of the parent company.

Type of local presence	Nationality	Legal personality	Separate registration in the Trade Register
Registered branch office	Same nationality as the parent company	No	Yes
Secondary place of business	Romanian	no	No (Declaration only)
Subsidiary	Romanian	yes	Yes

Incorporation of a registered branch office (“Sucursala”)

The registered branch office has no legal personality but must be set up and registered in the Trade Register in the county where it will be located. Branch offices of foreign companies maintain the nationality of the parent company.

Registration into the Trade Register can be done online, by e-mail, fax or post, as well as at the National Trade Register’s offices. The process of incorporating a registered branch office is mostly identical with the procedures

described in Chapter 6, with the exception that it does not include the name availability check and registration (See Step 1 under *Procedures for setting up a business*).

The name of the registered branch office can include:

- The name of the parent company, the location of its headquarters and the word “*sucursala*”, followed by the location of the registered branch office.
- A distinguishing mark or phrases in case more than once registered branch office is opened in the same city
- The registered branch office can have a different name from the parent company. However, the new name must be accompanied by the name of the parent company, as well as the word “*sucursala*” and the location of the headquarters.

A registered branch office is economically and legally dependent on the parent company. In relation to third parties, a registered branch office acts as a representative of the parent company, within its statutory powers.

A registered branch office has no registered capital and no patrimony. All assets used by the branch office are owned by the parent company. Also, a registered branch office cannot perform activities that are not authorised for the parent company.

A foreign company operating in Romania through a registered branch office is considered to have a permanent establishment in Romania. Therefore, the permanent establishment needs to be declared to the tax authorities within 30 days from incorporation.

If a foreign company operates in Romania through more than one registered branch offices, all of them need to be declared to the tax authorities and one of them will be singled out for tax purposes. The registered branch office has to pay a tax on profit for all activities concluded in Romania.

Setting up a secondary place of business (“Punct de lucru”)

Secondary places of business are dependent on the existence of a Romanian parent company. They have no legal personality and do not require separate registration with the National Trade Register Offices. However, the secondary place of business must be declared to the Trade Office, as well as to the tax authorities (within 30 days from declaration to the Trade Register). If the secondary office will have more than 5 employees, a different tax code must be obtained for each secondary office.

There is no limit for the number of secondary offices a parent company can open.

6. Incorporation of a Business

6.1 Types of Business Organisations

- Limited liability company
- Joint-stock company
- Co-operative
- General partnership
- Limited partnership
- Partnership limited by shares

Type of company	Minimum registered capital	Shareholders
Limited liability company (SRL)	RON200 (EUR43)	1-50 shareholders
Joint-stock company (SA)	RON90,000 (EUR19,350) ²⁴	Minimum 2
Co-operative	RON500 (EUR107)	Minimum 5. Each shareholder can hold up to 20% of the capital.
General partnership (SNC)	-	-
Limited partnership (SCS)	-	-
Partnership limited by shares (SCA)	RON90,000 (EUR19,350)	-

The most frequent form of incorporation is the Limited liability company (SRL). An SRL requires a capital of minimum RON200 (EUR43) and can have a maximum of 50 shareholders and an individual share value of RON10.

²⁴ Every 2 years, the Government can modify the capital requirements to update the figure to correspond to EUR25,000.

The subscription of registered capital in cash is mandatory when setting up companies, irrespective of the type of company. Contributions in kind are allowed for all types of companies if they can be evaluated. Contributions in debt-claims have the legal status of contributions in kind. However, these types of contributions are not allowed for joint-stock companies set up by public subscription, limited partnerships by share or limited liability companies.

An SRL can also be set up by a single individual or legal person. However, an individual or legal person can be the sole shareholder of a single SRL. Moreover, an SRL cannot be the sole shareholder of another SRL if it itself has only one shareholder.

6.2 Procedures for Setting Up a Business

STEP 1 – AVAILABILITY OF THE COMPANY NAME CHECK AND RESERVATION

The availability of the company's name must be verified at the National Trade Register Office. It can be done either online (digital signature required) or by e-mail, fax, mail or at the counter of the trade register offices attached to the law courts. Company names can be reserved for a period of up to 3 months, starting from the date of the application to verify the name.

Company names need to be written in Latin characters, in Romanian first. A company name cannot contain any of the words *scientific* (“*stiintific*”), *academy* (“*academie*”), *academic* (“*academic*”), *university* (“*universitate*”, “*universitar*”), *school* (“*scoala*”, “*scolar*”) or any derivatives. Also, registration of a firm containing the words *national* (“*national*”), *Romanian* (“*roman*”), *institute* (“*insitut*”) or their derivatives, as well as words and phrases particular to the central public authorities or institution can be approved only with the agreement of the Secretariat – General of the Government. Registration of a firm consisting of words or phrases particular to local public authorities and institution can be done only with the agreement of the county's prefect where the applicant registers the headquarters.

The cost of the company name availability check and reservation at the National Register Trade Office is RON40 (EUR8.5). The result of the procedure is usually available within 2-3 business days.

STEP 2 – DRAWING UP THE CONSTITUTIVE ACT OF THE COMPANY

To set up an SRL, a *company contract and articles of association* must be drawn up. In case of SRLs with a sole shareholder, only the articles of association of the company needs to be concluded. The company contract and statute can take the form of a single document, the *constitutive act*.

The constitutive act must be concluded under private signature and must be signed by all associates. In certain cases (such as when part of the registered capital is in-kind contribution in the form of buildings), the constitutive act needs to be authenticated in front of a public notary. The cost of authentication ranges in general between RON50 and RON100 (EUR10 and EUR20, depending on notary). The constitutive act can also be drawn up at the National Trade Register Office for a fee of RON200 (EUR43).

The constitutive act of an SRL must contain:

- Identification data for the associates.
- The legal form, name and headquarters.
- The company's object of activity, indicating the company's field of action and the main activity.
- The company's registered capital, with special mention regarding each associate's contribution, whether in cash or in kind, the value of the contribution in kind and the method of evaluation. The number and nominal value of all registered shares, as well as the number of registered shares attributed to each associate for their contribution must be indicated.

- The associates who represent and manage the company or the non-associated administrators, the powers vested in them and whether they are going to exert the powers together or separately.
- Identification data of the censors or financial auditors, if they were appointed.
- Each associate's share in the profits and losses.
- Location of subsidiaries – branches, agencies, representations or other offices of the same kind without legal personality.
- Duration of the company.
- The method of dissolution or liquidation of the company.

STEP 3 – FINDING A LOCATION FOR THE HEADQUARTERS

Once a location for the future headquarters is selected, the documents attesting to the right to use the space need to be drawn up. There are several acceptable documents:

- | | |
|---|--|
| ✓ Excerpt from the Land Record register, valid when submitting it to the National Trade Register Office (under Step 4), but no older than 30 days | ✓ Document of adjudication of the sold dwelling within enforcement proceedings |
| ✓ Purchase agreement | ✓ Exchange agreement |
| ✓ Donation contract in authentic form | ✓ Lease agreement (registered at the fiscal office, in case the owner/locator is a natural person) |
| ✓ Certificate of inheritance | ✓ Sub-lease agreement |
| ✓ Notary document certifying termination of joint possession or property delimitation | ✓ Concession agreement |
| | ✓ Real estate lease agreement |

- ✓ Final court judgement concerning the property or the use/usufruct
- ✓ Final court judgement concerning termination of joint possession
- ✓ Minute of construction acceptance
- ✓ Free-lease agreement
- ✓ Use or usufruct agreement
- ✓ Valid certificate of tax record/farming tax record
- ✓ Any other legal document conferring the right of use.

If several companies share the same postal address, each of them must have its residency in a separate room – no two companies are allowed to reside in the same room. Until a headquarter has been found, a company may reside at a lawyers’ office.

STEP 4 – REGISTRATION OF THE COMPANY AT THE NATIONAL TRADE REGISTER OFFICE

The registration of a company can be done online (digital signature required) or at the counter of the trade register office attached to the law courts where the company’s headquarters are located. The **certificate of registration** is usually issued within 3 business days.

6.3 Business Licenses

License	Issuing Authority	Description
Authorisation and Acord for functioning	Local City Hall	The authorisation must be obtained after incorporation or after a new activity has been added to the company’s statutory documents. These documents are needed only for activities performed at the headquarters or secondary offices. Activities performed at third parties location (such as at the clients’ premises, in markets or fairs, over the internet, etc.) do not require this authorisation.

License	Issuing Authority	Description
Sanitary authorisation and Sanitary – veterinary authorisation	Local Public Health Office, Local Sanitary-Veterinary Office	These licenses are needed for food serving units and food industry
Environment permit	Local Environmental Protection Office	Needed for businesses performing activities considered potentially harmful for the environment (e.g. industrial activities, wood processing, production or storage of chemicals, etc.)
PSI permit	General Inspectorate for Emergency Situations	Required for specific activities that imply large surfaces and a large number of employees and/or clients (e.g. production units, malls, clubs, restaurants, deposits, hotels, etc.)
ITM authorisation	Local Work Force Registration Office	Required for production units with a large number of employees or for working conditions with specific work safety characteristics.
Health and security at work authorisation	Local Employment Inspectorate	The authorisation must be obtained after incorporation and it certifies that working conditions meet the legal requirements in terms of work safety. Businesses must obtain this authorisation individually for each point of business (headquarters, secondary offices, etc.)
Permits for luminous signage	City Hall	
Permit for broadcasting music	Romanian Office for Author Rights	Required for businesses that broadcast loud music (coffee shops, bars, restaurants, etc.
Accommodation unit classification authorisation	Ministry for Regional Development and Public Administration	Required for hotel, B&B and other type of accommodation units
Specific authorisation for functioning	Ministry of Internal Affairs and Authorisation from the City Police Inspectorate	For security companies
Specific authorisation for functioning	National Bank of Romania/Ministry of Public Finances	For currency exchange offices

License	Issuing Authority	Description
Specific authorisation for functioning	Committee for Supervision of Insurance	For insurance companies

7. Taxes

7.1 Corporate Tax

The general tax rate on income on legal persons is 16%. Nightclubs, bars, discos and casinos that must pay the higher of 16% of the net profit or 5% of revenues.

Microenterprise tax rate

Starting with January 2018, tax on revenues is applicable for Romanian companies qualifying as microenterprises because of fulfilling the following conditions:

- Yearly turnover less than EUR1,000,000
- Not being liquidated
- Share capital is held by entities other than the state or local authorities

The microenterprise tax rates are as follows:

- 1% for microenterprises that have one or more employees
- 3% for microenterprises that have no employees

Tax liability

- **Unlimited** – Romanian legal entities, legal entities established according to European legislation, having their headquarters in Romania and foreign legal entities with the place of effective management in Romania on their worldwide income.
- **Limited** – Branches and permanent establishments of foreign companies: on their Romanian income. Non-resident taxpayers carrying out activities in Romania through one or more permanent establishments

are required to designate a permanent establishment to fulfill their corporate income tax obligations.

Fiscal year

In Romania, the fiscal year corresponds to the calendar year. All Romanian companies and branches of foreign companies, except for credit institutions, non-banking financial institutions, etc., may choose a financial year that is different from the calendar year. Taxpayers that choose a financial year different from the calendar year can also opt for the fiscal year to correspond to the financial year.

Corporate income tax payment

Corporate income tax liabilities are payable quarterly, either (i) based on the quarterly computation of actual corporate income tax liabilities or (ii) based on last year's corporate income tax liability (increased by an inflation surcharge). Taxpayers may opt for either of these two payment mechanisms.

7.2 Value Added Tax

Starting January 2017, the standard VAT rate is 19%.

A reduced VAT rate of 9% applies for:

- pharmaceuticals for human and veterinarian use
- hotel accommodation
- prostheses and orthopedic products
- bread and related bakery products, as well as raw materials for the production of bread
- food and beverages (except for alcohol) for human and animal consumption

- water used for consumption and for agricultural irrigation
- agricultural products and services, such as fertilisers and pesticides, seeds and other agricultural products for seeding and planting, as well as certain agricultural services.

A reduced VAT rate of 5% applies for:

- social buildings under certain conditions
- books, newspapers, periodicals etc.
- Tickets for cinemas, museums, historical monuments, trade fairs and exhibitions.

Reversible charge (reversal of VAT liability)

The reversible charge applies to:

- Acquisition of services by Romanian taxable persons from providers not established in Romania
- Acquisition of goods by Romanian taxable persons from non-Romanian suppliers, under certain conditions.

VAT split mechanism

Starting 2018, the following VAT registered entities are required to open and use at least one bank account dedicated to the collection and payment of VAT:

- Entities that at the end of 2017 recorded VAT debts of (i) more than RON15,000 (EUR3,000) for large-size taxpayers, (ii) more than RON10,000 (EUR2,000) for medium-size taxpayers and (iii) more than RON5,000 (EUR1,000) for small-size taxpayers, and that were not paid until 31 January 2018;

- As of 1 January 2018, record VAT liabilities overdue by more than 60 days (thresholds mentioned above apply);
- Are under insolvency procedures.

Other VAT taxable persons may opt to apply the VAT split mechanism.

Penalties of 0.06% per day will apply if VAT is not paid in the dedicated account.

7.3 Other Relevant Taxes

Romania has no business tax, wealth tax or capital transfer tax / fees.

Excise duties

Excise duties are payable on production/import of beer, wines, other fermented beverages, intermediary products, ethyl alcohol, processed tobacco, fuels and electricity.

Specific taxes for bars, restaurants, hotels and other similar activities

Companies are obliged to pay a specific tax if they perform any of the following activities:

- Hotels and similar accommodation services
- Holiday and other short-stay accommodation
- Camping grounds, recreational vehicle parks and trailer parks
- Other forms of accommodation
- Restaurants and mobile food service activities
- Event catering and other food service activities
- Other food service activities

- Beverage service activities

The method for computation of the specific tax depends on the type of activity undertaken. Basically, it depends on the number of accommodation places, usable commercial area, services and seasonality co-efficient or town rank.

The specific tax is calculated for the entire fiscal year, which corresponds to the calendar year.

Property transfer tax

Immovable property transfers are subject to income or corporate income tax. The following immovable property transfers are exempted from income taxation:

- donations between close relatives and between husband and wife;
- restitution of property rights according to special laws;
- inheritances, if the testamentary provisions are executed or the legal succession is debated within 2 years. Otherwise, a 1% income tax is due on the value of the inheritance.

Also, transfer (sale or other type of transfers) of ownership right over real estate properties is subject to fees for registration in the Real Estate book, as follows:

- transfers to companies: 0.5% of the value of the property
- transfers to individuals: 0.15% of the value of the property.

Notary fees may also apply on the transfer of real estate properties.

Income tax rate

Revenues obtained by individuals from the sale of real estate properties are subject to 3% income tax on the amount exceeding RON450,000 (the

revenues below this limit being non-taxable). The tax payable must be remitted to the Romanian fiscal authorities by the 25th of the month following the month of the transaction. The transfer of immovable property under the Debt Discharge Law is exempt from income taxation. This exemption will only be granted once and for the first immovable property.

Sale of immovable property by legal entities: 16% corporate income tax applicable to the taxable gains realised from the transaction (difference between the selling price and the fiscal value (e.g. the acquisition price)).

Land tax

Land tax is computed based on the area measured in square metres, location and category of use (local authority classification).

Building tax

The building tax is differentiated depending on the buildings destination, as follows:

- **residential buildings** – the tax rate is between 0.08%-0.2% of the taxable value of the building. The taxable value is determined for individuals based on the built area multiplied with the taxable value per sqm provided by law.
- **non-residential buildings** – the tax rate is between 0.2%-1.3% applicable to the taxable base.

For individuals, the taxable base for non-residential buildings may be:

- a) the amount resulting from an evaluation report prepared by an authorised valuator in the past 5 years;
- b) the value of the construction works for buildings constructed in the past 5 years;
- c) the purchase value for buildings acquired in the past 5 years.

In case the taxable value of the building cannot be determined according to the above rules, the tax is calculated by applying the rate of 2% on the taxable value determined as for residential buildings.

For legal entities, the taxable base is the value at 31 December of the year preceding the year for which the tax is due and can be:

- a) the last taxable value recorded with the local tax authorities;
- b) the amount resulting from an evaluation report prepared by an authorised valuator;
- c) the final value of the construction works – for new buildings (constructed during the previous fiscal year);
- d) the purchase value for buildings purchased during the previous fiscal year;
- e) in case of buildings that are financed through a finance lease, the amount resulting from an evaluation report drawn up by an authorised valuator.

Legal entities should update the taxable value of the buildings every 3 years based on an evaluation report. Otherwise, an increased tax rate of 5% is applicable.

For non-residential buildings used for agricultural purposes, the tax rate is of 0.4%.

Tax on constructions

Starting 1 January 2017, the tax on constructions has been eliminated.

8. Employment

8.1 Employment Procedures

Processing personal data - GDPR

Starting from 25 May 2018, a new set of rules regarding personal data protection will become mandatory throughout the EU and beyond. Every organisation collecting and processing personal data in the EU as well as organisations located anywhere in the world, processing personal data of EU citizens will have to comply with the new General Data Protection Regulation (GDPR)²⁵.

Personal data will have to be treated like consumers' all other personal property. Persons will take control of how their data is collected, processed, used and stored and organisations throughout the world will have to obtain the person's consent for any operation collecting and processing personal data. Steep fines and penalties, running up to EUR20 million or 4% of the worldwide turnover, whichever higher, can be applied to those failing to comply with the new set of rules.

The GDPR brings changes to various company policies, such as the confidentiality policy, data security, sales and marketing operations and so on. New restrictions regarding consent to collect and process personal data, apply. Data protection by design has become mandatory and some organisations will be required to hire Data Protection Officers or set up other structures to monitor and regulate personal data usage at company level.

While the GDPR affects various business models, special consideration must be given to the way it impacts employees' personal data. Accounting and HR departments involved in managing employee files for existing personnel, as well as job applications must meet the rules regarding data collection and

²⁵ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0679&qid=1490179745294&from=en>

protection, especially when it comes to sensitive data such as personnel medical data or membership in syndicates or professional associations.

Employment procedures

STEP 1 – FINDING THE RIGHT CANDIDATE

Each company is free to choose its own selection procedures for job candidates. Citizens of all EU Member States can be employed in Romania under the same conditions as Romanian citizens. Employing non-EU citizens needs to follow special rules further described in the next chapter.

The employer can request several documents from potential candidates, including:

- Copies of IDs
- Certificates issued by past employers
- CVs
- Recommendations from past employers or colleagues (these can be requested only after having informed the candidate that past employers will be contacted)
- Documents confirming studies and qualifications
- Proof of authorisations, certificates and permits
- Criminal records
- Repartition from the local Unemployment Office (in case of hiring unemployed persons)
- Liquidation notes from past employers

STEP 2 – LABOUR HEALTH EXAMINATION

Once a job candidate is selected for a vacancy and the job offer is accepted, the future employee needs to undergo a labour health examination. Without a doctor's certificate approving that the candidate is physically and psychically apt for the conditions of the future job, a work contract is not valid. The certificate is sent by the doctor's office to the employer, by post or by email.

STEP 3 - REVISAL

Before the future employee can begin working, his employment contract needs to be signed and immediately registered with the Labour Inspectorate through the REVISAL software. In general, the employer and the selected candidate are free to negotiate the content of the employment contract, as long as the agreed conditions are not against the law. If trade union collective employment contracts exist for the specific job function, then those stipulations must be observed as well.

REVISAL – short form for General Register for Employee Management – is a governmental software and data base, where all work contracts need to be registered. Any changes made to an employment contract need to be registered in REVISAL to have legal effect. The software can be downloaded free of charge from the Labour Inspectorate's website and it is constantly upgraded.

STEP 4 – EMPLOYEE'S FILE

Companies are required to keep files for each of their employees. The following documentation needs to be included in these files (and can be requested during work inspections):

- Documents required for employment
- Employment contract and any addendums

- Documents related to the suspension or closure of an employment contract
- Documents related to the employee's studies
- Any other documents that support the information introduced in REVISAL.

Employers are obliged to supply all employees or former employees with copies of documents in their employee file, within 15 days from petition.

Part-time and full-time employment

Full-time employment means a daily working program of 8 hours and a total of 40 hours per week. Full-time employment of people under 18 years is limited to 6h/day and 30 hours per week.

Employees that work less than 40h/week are considered to be part-time employees. Part-time staff can be employed based on a fix period employment contract or non-determined duration employment contract. The employment contract needs to be concluded in written form and must include at least the following: duration of work and work program, conditions under which the work program can change, the interdiction to work overtime (except for force majeure cases or other emergencies and situations). If these provisions are not included in an employment contract, then the contract is considered to be concluded for full-time employment.

Equal treatment between men and women

Employees must benefit from equal treatment, irrespective of sex, sexual orientation, genetic features, age, nationality, race, colour, ethnicity, religion, political views, social origin, handicap, family status or membership in trade unions²⁶.

²⁶ Applicable legislation: Law 53/2008 Labour Code.

Any exclusion, differentiation, restriction or preference based on the criteria above constitutes discrimination.

Men and women must have the same access to jobs and must go through similar employment procedures²⁷. They are entitled to receive equal pay for equal jobs and must have equal access to any training or promotion opportunities within the company. Dismissal of workers cannot be based on sex, nor can the job description make differentiations based on sex. The rules apply to workers with employment contracts as well as to freelancers.

The employer must inform its employees that discrimination based on sex is forbidden and must include disciplinary actions against discrimination in the internal regulation of the company. The internal regulation must be posted in visible, easily accessible spaces. Workers must be informed of their rights regarding equality of treatment.

Maternity is protected and cannot constitute grounds for discrimination. Employers cannot ask potential candidates to present pregnancy tests or affidavits that they will not become pregnant or give birth during the validity of the employment contract.

Sick leave

Employees are entitled to paid sick leave²⁸. To benefit from paid sick leave, an employee must have been insured for at least 6 months within the 12 months prior to the sick leave. Workers must obtain a sick leave certificate from their doctor, which is issued provided they present a statement from their employer regarding the number of sick leave days the worker has benefited from in the past 12 or 24 months. Medical certificates are issued on the spot usually but can also be issued at a later date for the on-going or previous month for some situations (e.g. pregnancy, hospital stays, periods when the worker has been immobilised or quarantined, etc.). Medical certificates can

²⁷ Applicable legislation: Law 202 / 2002 regarding equal treatment of men and women

²⁸ Applicable legislation: Emergency Ordinance 158 / 2005 regarding sick leave and compensation

be issued on paper or electronically, in which case the doctor must apply their digital signature on the form.

There are several types of sick leave:

- Leave for temporary incapacity to work, caused by usual sickness or accidents outside work
- Leave for sickness prevention and work capacity recuperation, excluding situations resulting from work accidents
- Maternity leave
- Leave for caring for a sick child
- Leave for high maternal risk.

For the duration of the sick leave, employees are entitled to receive compensation. The sick leave compensation is calculated as 75% of the average gross monthly income for the 6 months prior to the sick leave. For certain diseases (e.g. AIDS, cancers, medical emergencies, etc.), the compensation is calculated as 100% of the average gross monthly income for the 6 months previous to the sick leave. The compensation is capped at a maximum of 12 national minimum gross salaries²⁹.

Employers who pay out the sick leave compensation shall seek reimbursement from the National Health Insurance Fund. The reimbursement takes the form of deductions from sums to be paid out to the Fund as part of employees' usual health insurance contributions.

Maternity leave

Female employees and in some cases male employees are entitled to several types of leave connected to pregnancy and child rearing:

²⁹ In 2018, the national minimum gross salary is RON1,900 (EUR415).

- **Maternity leave** (maximum 126 calendar days). Part of the leave can be taken before giving birth and the rest after childbirth. However, at least 42 days of the leave must be taken after giving birth. During this type of leave, female employees are entitled to receive compensation, calculated as 85% of the average gross salary for the past 6 months prior to the pregnancy leave. The compensation is initially paid by the employer, who seeks reimbursement from the National Health Insurance Fund, given as deductions from the sums paid as part of employees' usual health insurance contributions.

- **Leave for high maternal risk** (maximum of 120 days). This type of sick leave is awarded to pregnant employees, employees who have given birth within 6 months or breastfeeding employees, in case the working environment presents risks to the mother's health. Among such risks are: noise, shock, vibrations, sudden movements, heavy lifting, radiations, environment with extreme heat or extreme cold, mental and physical exhaustion, chemical agents (e.g. mercury), mining activities, etc. The employee is entitled to require a change in the working conditions or in the working program. If the employer can make the changes to the work environment or program, the employee's salary must remain at the same level as before making any changes. If the employer cannot make the requested changes, the employer can either transfer the worker to a lower risk job maintaining her previous salary or in case such a job is not available, the worker can ask for leave for high maternal risk. In case of maternal risk leave for pregnant employees, the leave can be obtained only before any maternity leave is granted. In case of employees who have recently given birth or been breastfeeding, high maternal risk leave can only be awarded to employees that have not benefited from child rearing leave. Workers are entitled to compensation during high maternal risk leave, calculated as 75% of the average monthly gross salary for the 6 months prior to the leave. The compensation is initially paid out by the employer, who seeks reimbursement from the National Health Insurance Fund, given as deductions from employees' usual contributions to health insurance.

- **Child rearing leave** until the child reaches 2 years of age (3 years of age for children with handicap)³⁰. While the previous types of leave are considered sick leave, during the child rearing leave the employment contract is suspended. Female or male workers can opt to care for their children until they reach 2 years of age (or 3 for children with handicap), during which time they receive compensation. Out of the total 24 months that can be granted, one month is reserved to the parent that will continue working. To be able to opt for this type of leave, the worker must have been insured for 12 months in the 24-month period prior to the leave. Parents can benefit from this leave and compensation independently, for each of their children. The compensation for this type of leave is calculated as 85% of the average monthly net salary for the 12 months the parent had been insured, but no less than RON1,250 per month and no more than RON8,500 per month. The compensation is paid out by the local city hall where the parents reside, not by the employer. During child rearing leave, the parent can obtain revenues, but no more than RON3,750 per year. At the end of the leave, the parent informs their employer, in writing, of their intention to resume work. Parents who return to work at least 60 days before the child turns 2 (or 3 in case of children with handicap), are entitled to receive a work reinsertion supplement. In 2018, the value of the work reinsertion supplement is RON650 for each month until the child turns 3 (or 4 in case of children with handicap). The work reinsertion supplement is also paid out by the local city hall where parents reside.

- **Leave for caring for a sick child** (maximum of 45 calendar days per year, for one child). Employees can ask for leave to care for a sick child, under the age of 7. In case of severely sick children, this type of leave can be obtained until the child turns 16, while for handicapped children, until the child turns 18. The employee asking for leave must have been insured at least 6 months in the 12 months prior to the leave. Only one of the parents can benefit from this type of leave at a time. On leave

³⁰ Applicable legislation: Emergency Ordinance 111 / 2010 regarding child rearing leave and compensation

employees are entitled to compensation based on a certificate issued by the child's usual doctor (in some cases a certificate issued by a specialist doctor or a handicap certificate is needed). The compensation is calculated as 85% of the average monthly gross salary for the 6 months prior to the leave. The compensation is initially paid by the employer, who seeks reimbursement from the National Health Insurance Fund, given as deductions from employees' usual contributions to health insurance.

As a means of protecting families, parents or future parents cannot be dismissed from work in the following situations:

- Pregnant employees that have informed their employers of their status
- Employees that have recently given birth or are breastfeeding
- Employees on maternity leave
- Employees on child rearing leave
- Employees on leave for caring for a sick child
- Employees receiving work reinsertion supplements

The above employees cannot be dismissed at the end of their leave, as well as for the next 6 months.

Public holidays and annual leave

Workers are entitled to annual paid leave³¹. The minimum number of days employees can receive is 20 days, but the number can be extended within individual employment contracts. Public holidays and sick leave days are not considered part of the annual leave. Each employee must make use of at least 10 consecutive leave days in any given year. Employees can benefit from their annual leave days during the on-going year or 18 months after the end of the

³¹ Applicable legislation: Law 53 / 2008 Labour Code

year. In case the employee no longer works for the company, any unexecuted leave days must be paid out in cash.

Employees who work in difficult or dangerous conditions, as well as blind employees, employees with handicap or employees under the age of 18 are entitled to 3 extra leave days.

In 2018, there are 12 non-working public holidays in Romania:

- 1 and 2 January (New Year),
- 24 January (Unification of Romanian Principalities),
- Last Friday before Easter, as well as the first and second day of Easter,
- 1 May (International Work Day),
- First and Second Whitsuntide Day (40 days after Easter),
- 1 June (International Children Day),
- 15 August (Assumption of the Virgin Mary),
- 30 November (St. Andrew),
- 1 December (Romania's National Day),
- 25 and 26 December (Christmas).

Dismissal

Dismissal of employees can be justified by employee specific reasons or by external factors³². Dismissal of employees based on discrimination (sex, sexual orientation, genetic features, age, nationality, race, colour, ethnicity, religion, politic views, social origin, handicap, family situation, trade union

³² Applicable legislation: Law 53 / 2008 Labour Code

membership, participation in strikes or exercise of other trade union rights is considered illegal.

There are several other situations when employees cannot be dismissed. For example, workers cannot be dismissed while on sick leave for temporary incapacity to work or for being quarantined. As mentioned above, pregnant employees who have notified their employer of their status cannot be dismissed, nor can they be let go during maternity leave, child rearing leave or leave for caring for a sick child. Employees cannot be dismissed while holding an eligible function within a trade union (except for gross misconduct cases or repeated misdemeanours), nor can they be dismissed while on paid leave. However, all the above employees can be let go if the company is under legal re-organisation or in bankruptcy or liquidation.

Dismissal can be applied as a disciplinary action when the employee has committed gross misconduct or repeated misdemeanours. If workers are arrested for a period of more than 30 days or if a doctor confirms the employee is not physically or psychically able to work or if they are not professionally suited to perform their tasks, they can be dismissed.

Except for gross misconduct cases, the dismissal decision must be taken within 30 days from confirming the grounds for dismissal. In case of employees who do not meet professional requirements for the job, they can be dismissed only after being evaluated. Such an employee, as well as employees that are no longer physically or psychically able to perform the job, must be offered the possibility of occupying a different suitable vacancy. In case such vacancies do not exist, the employer must ask the Local Unemployment Office to redistribute the employee towards local suitable vacancies. Employees must accept the new job offer within the company within 3 business days from the offer. If the employee rejects the offer and the Local Unemployment Office has been contacted, the employer can commence dismissal procedures.

In case of gross misconduct cases, possible reactions can include a written note in the personnel file, demotion for up to 60 days, salary cuts of 5-10% for

1-3 months, salary cuts and management bonus cuts of 5-10% for 1-3 months and dismissal. Employees cannot be fined for misconduct and only one action can be taken for each misdemeanour. An employee must be submitted for a disciplinary investigation before any measure is taken against them and they must be informed in writing of the investigation. If the employee does not show up for the disciplinary interview, without just reasons, the employer can apply the selected sanction without finalising the investigation. The sanction must be communicated in writing to the employee within 30 calendar days from making a decision, but no later than 6 months after the gross misconduct happened. Employees can appeal the decision within 30 calendar days from receiving the communication concerning the sanction.

Workers that are dismissed must be given notice of at least 20 business days and must be informed of the reason for the dismissal.

Employees that are dismissed based on external factors must benefit from active measures to prevent unemployment and can be awarded compensations, if the collective employment contract foresees so. A collective dismissal means dismissing within 30 calendar days at least 10 employees (in case of companies with 20-100 employees), at least 10% of the workforce (for companies with 100-300 employees) or at least 30 employees (for companies with more than 300 employees). Collective dismissals must be preceded by negotiations with the trade union or employee representatives regarding the conditions of the dismissal. The collective dismissal decision must be notified to the Local Employment Inspectorate after concluding negotiations with the trade union and at least 30 calendar days before informing the concerned employees. An employee that has been collectively dismissed can be re-hired within the same company for a similar job within 45 calendar days from dismissal.

8.2 Health and Safety Issues

In Romania, the employer is responsible for ensuring health and security at work³³. This includes:

- Evaluating risks to health and security at work in the company, considering groups of employees that are sensitive to specific risks.
- Putting in place adequate protection measures and ensuring the existence of protection equipment.
- Tracking all work accidents that result in the incapacity to work for more than 3 days, as well as light accidents, occupational sicknesses and dangerous incidents.
- Reporting any work accidents to the relevant authorities.
- Evaluating the risk of new machinery or production materials such as chemical compounds, pose to employees' health and security.
- Adjusting its work processes and risk mitigation strategy to improve workers' health and security at work.
- Considering each employees' capabilities regarding their health and security at work when delegating tasks.
- Consulting employees or their representatives when introducing new technology on the consequences the technology will bear on health and safety at work.
- Restricting access to properly trained personnel in areas with high risks. The employer must mark high risk or specific risk areas and inform its employees of their existence and location.

³³ Applicable legislation: Law 316 / 2006 regarding health and security at work

Individual risks to each job function must be included in each job description. Employers can prepare additional guidelines that complement the applicable legislation, describing the existing risks, the mitigation measures and each employee's responsibilities.

The employer is also obliged to check its employees' knowledge regarding these guidelines and all other applicable instructions related to safety at work. More so, the employer must organise periodic training for health and security at work in the following situations:

- When hiring a new employee
- For transfers or changes of jobs within the company
- When introducing a new technology or when making changes to existent equipment
- When acquiring new equipment
- When executing special operations

Employees cannot be asked to pay for any training they receive regarding health and security at work and all training must be organised during the working hours, either within the company or outside its premises.

Health and security officer

The Romanian legislation makes it mandatory for each employer to nominate a full-time health and security officer. More than one employee can be entrusted with the responsibility of this function, depending on the size of the company and its specific risks. The health and security officers cannot be punished for carrying out tasks related to their functions. They can only carry out health and security tasks or at the most, complementary tasks.

It is also possible and common for employers to outsource the health and security officer tasks. In this case, the employer is still responsible for informing the provider about any relevant factor that can influence health and

security at work. The provider must be authorised to carry out health and security at work services. A bi-annual report on health and security at work conditions must be submitted by the provider 15 days after the semester ends to the local Employment Inspectorate.

Procedures for accidents and fires at work

Each employer must put in place a strategy for dealing with accidents, emergencies and fires at work. He must nominate employees responsible for first aid, fire extinction and workers evacuation. Employers must make sure employees are aware of the measures put in place in case of accidents and emergencies.

Employees that are exposed to high risks or to imminent risks must be informed as soon as possible of the risks and of the measures taken to alleviate them. In these cases, work must cease immediately, and the affected area must be evacuated. Employees cannot be punished for leaving their workstations and seeking safety. Work cannot start again after an emergency until normal conditions have been restored.

Special provisions

Certain categories of workers, such as constructors or employees working outside or in dirty or toxic environments, are entitled to certain quantities of drinks and foodstuff (e.g. water on days with extreme temperatures) and sanitary and hygiene products (such as soap, toothpaste, towels, etc.) that employers are obliged to provide free-of-charge. A list of these products is usually included in any collective employment contracts.

8.3 Employees' Compensation and Social Insurance

Employees' compensation

Employees' compensation includes the gross salary, bonuses, rewards and any compensations given to employees.

Employees' salaries are given priority before any other financial obligations of the company. Also, individual salaries are confidential within the company.

The minimum salary (RON1,900 in 2018) is decided through collective employment contracts, while individual salaries are decided through direct negotiation between job candidates and employers. The average gross salary in Romania is RON4,162 in 2018.

Salaries are paid in cash, at least once per month, at the date established in the employment contract, the collective employment contract or the internal regulation. Salaries can be paid in hand or in a bank account chosen by the employee for this purpose.

Social insurance³⁴

Starting January 2018, there are only 3 types of social security contributions: health insurance, retirement insurance and labour insurance contributions. All three types of contributions are calculated and paid by the employer. However, the health insurance and pension insurance are owed only by the worker, while the work insurance contribution is owed only by employers.

For all three types of social contributions, employers must calculate, declare and pay the value of each contribution for all employees, monthly, before the 25th of the month following the month when the salaries were paid. Form 112 regarding social contributions covers all three types of contributions and can be submitted online.

Health insurance

Employees must pay 10% of their gross salaries as health insurance.

Part of the health insurance contribution, full-time or part-time employees that are exempted from income tax (see below) owe is covered by the State. There is no fixed amount for the State's contribution, each case being decided on a case-by-case situation.

³⁴ Applicable legislation: Law 227 / 2015 Fiscal Code

The contributions part-time employees must pay as health insurance is calculated based on the national minimum gross salary (RON1,900 in 2018), not their actual salary. However, only 10% of their actual gross salary is owed by the employee, while the difference must be covered by the employer. Exceptions exist for part-time employees that have more than one part-time employment contract with several employers and a cumulated gross salary value above the minimum gross salary, as well as for certain categories of employees (e.g. students under 26 years of age, apprentices under 18 years of age, etc.).

Retirement pension insurance

Under normal working conditions, employees must pay 25% of their gross monthly salary as retirement pension insurance. If employees work under ***unusual conditions***, then employers are liable to pay an extra 4% as pension insurance (29% in total). “*Unusual working conditions*” refers to jobs where professional risk exposure during the work program can lead to occupational disease.

If employees work under ***special conditions***, then employers are liable to pay an extra 8% as pension insurance (33% in total). “*Special working conditions*” refers to jobs where employees are exposed to specific risks at least 50% of the work program.

The contribution part-time employees must pay as pension insurance is calculated as 25% of the minimum national gross salary (RON1,900 in 2018). However, only 25% of their actual gross salary is owed by the employee, while the difference must be covered by the employer. More so, for part-time employees exempted from income tax (see below), the State also covers part of the pension insurance contribution. There is no fixed amount for the State’s contribution, each case being decided on a case-by-case situation.

Exceptions exist for part-time employees that have more than one part-time employment contract with several employers and a cumulated gross salary value above the minimum gross salary, as well as for certain categories of

employees (e.g. students under 6 years of age, apprentices under 18 years of age, etc.).

Labour insurance contribution

Employers must pay 2.25% of the total gross salaries paid as labour insurance contribution. This contribution is payable for all types of employees, full-time or part-time, irrespective of being income tax exempted or not.

Part of this contribution will cover unemployment benefits, sick leave for occupational diseases and work accidents, as well as guarantees for salary payment.

Income tax rate

As of January 2018, the income tax rate for employees is 10%.

Several types of persons are exempted from paying income tax, such as:

- Employees with severe or accentuated handicap
- Software engineers
- Persons involved in research & development activities
- Seasonal employees with a 12-month employment contract (employed in bars, hotels, restaurants, catering and food processing)

	Health insurance	Retirement pension insurance	Labour insurance
Self-employed persons	10% – the monthly taxable base equals the gross minimum salary (RON1,900 or EUR415 in 2018)	25% – the monthly taxable base cannot be lower than the minimum gross salary (RON1,900 or EUR415 in 2018)	-

	Health insurance	Retirement pension insurance	Labour insurance
Employed persons	10% of gross income uncapped	25% of gross income An additional pension insurance contribution of 4% or 8% is due by the employers for particular, respectively special work conditions	2.25% of the gross salary paid by the employer as Labour insurance contribution as of January 2018.
Investment income	10% for dividends, capital gains, interest, liquidation proceeds ³⁵ – the monthly taxable basis is equal to the gross minimum salary (as of January 2018). The minimum salary for 2018 amounts to RON1,900 or EUR415.	-	-
General managers	10% (as of January 2018)	25% not capped.	2.25% of the gross salary paid by the employer as Labour insurance contribution as of January 2018.

8.4 Minimum Wages

Starting January 2018, the gross minimum salary in Romania is RON1,900 (EUR415) per month³⁶ for full-time employment. The figure refers to cash payments made to employees and does not include any bonuses or rewards given to employees. When employers provide food or accommodation or any

³⁵ Individuals deriving investment income will be exempt from paying health insurance contributions if their income for the preceding year was lower than 12 minimum gross salaries. They may still opt to take out voluntary insurance to pay health insurance contributions on their investment income.

³⁶ Applicable legislation: Government Decision 846 / 2017

other facilities for its employees, the cash part of the workers' compensation cannot be less than the gross minimum salary.

Failure to comply with the gross minimum salary can attract fines of up to RON2,000.

9. Visas and Immigration Issues

9.1 Entry Procedures

Foreigners that are not citizens of EU Member States or of countries in the European Economic Area (EEA) can enter Romania under the following conditions:

- They present a valid travel document (e.g. passport). For stays that are shorter than 90 days within a 180-day period, the passport needs to be valid at the estimated date of departure from Romania and must have been issued within the past 10 years³⁷.
- They have a visa³⁸ or residence permit.
- They present documents regarding the scope and conditions of their stay and they present proof of having sufficient financial means to support themselves during their stay and for returning to their country of origin or a different transitory country.
- They present guarantees that their entrance in the country of destination is permitted or that they will leave Romania if their entrance in the country of destination is denied, in case of foreigners transiting Romania.
- They have not received any interdiction to enter the country and they are not undesirable persons.
- They are not included in Schengen databases with instructions to deny entry.
- They do not pose any threat to national security, public health, public order or public ethics.

³⁷ Applicable legislation: EU Regulation 610 / 2013

³⁸ Holders of a "Hong Kong Special Administrative Region" passport are exempt from having a visa when entering Romania, according to CE Regulation 539 / 2001.

EU Citizens or citizens of countries in the EEA can enter Romania in the same conditions as Romanian citizens.

9.2 Working Permits

As a rule, foreigners can be employed in Romania based on an **employment permit**³⁹. The employer is responsible for requesting and obtaining the employment permit for each of his foreign employees⁴⁰. Employment permits are usually issued within 30 days⁴¹ from applying, upon paying a fee of EUR200.

Certain categories of foreign workers do not need an employment permit to work in Romania:

- Citizens of EU member states, the European Economic Area or the Swiss Confederation
- Citizens of third countries with which Romania has signed bilateral agreements regarding the access to the labour market
- Foreigners holding a long-term residence permit in Romania
- Refugees and asylum seekers
- Foreigners, family members of a Romanian citizen, holding temporary residence permits for family reunion purposes
- Foreigners holding temporary residence permits for studies⁴²

³⁹ Applicable legislation: Emergency Ordinance 25 / 2014 regarding employment and detaching of foreigners in Romania

⁴⁰ Applications are submitted to the General Inspectorate for Immigration - <http://igi.mai.gov.ro/>

⁴¹ While the period for issuing the employment permit is 30 days, the application file contains documents that need to be recognised by Romanian authorities – such as the documents relating to the foreigner's studies and qualifications – which can considerably prolong the process.

⁴² Foreigners holding a temporary residence permit for studies can only be employed on a part-time basis, for a maximum of 4h/day

- Foreigners performing scholar, cultural or research activities, as well as any other temporary activities performed in authorised/specialised institutions, based on bilateral agreements.
- CEOs or directors of the Romanian branch of a foreign company

For foreigners who can work in Romania only based on an employment permit, the process of legally starting work follows several steps:

Step 1 – Identifying a Romanian employer.

Step 2 – The employer submits an application for an employment permit.

Step 3 – Based on the employment permit, the foreigner applies for a long-term visa at Romania's embassy in the country of origin.

Step 4 – The foreigner can now enter Romania and start work. They also need to apply for a residence permit.

Types of foreign workers:

Foreign workers are categorised based on the type of employment contract (fixed term, indefinite term), scope of employment (permanent, seasonal, intern), qualification and so on. The main categories recognised by law in Romania are:

- **Permanent workers** - A permanent worker is a foreigner with an employment contract in Romania for a determined or unlimited period.
- **Seasonal workers** - A seasonal worker is a foreigner that maintains their place of residence in a third country but lives temporarily in Romania and is employed for seasonal activities, for a determined period in Romania.
- **Interns** - An intern is a foreigner taking part in an internship or apprenticeship for a determined period in Romania. The goal of the apprenticeship is obtaining a professional qualification or improving the

intern's professional profile, as well as improving cultural and language skills.

- **Highly qualified workers** - A highly qualified worker is a foreigner employed with an employment contract in Romania for a determined period, no shorter than 1 year, or an unspecified period, occupying a highly qualified job. Highly qualified workers are entitled to receive a monthly salary of no less than 4 average gross salaries⁴³.
- **Cross-border workers** - Cross-border workers are foreigners living in the border areas of a third country that borders with Romania but works in a border area in Romania. The foreigner has an employment contract for a determined or unspecified period, based on an employment permit.
- **Detached workers** - Detached workers are qualified foreigners employed by a company in a third country, who are sent by their employer to perform their activities in Romania either at a company belonging to the same group of companies or at a company with which the employer has made an agreement.

For the categories above, the Romanian Ministry of Employment establishes yearly quotas of employment permits that can be awarded. In 2018, 6,300 employment permits could be awarded to the different types of foreign employees. This number doesn't include foreign employees exempted from requesting an employment permit.

Criteria for obtaining an employment permit

Both employers and employees must meet several general and specific criteria when applying for an employment permit. The specific criteria are different for long term employees, intern, detached workers, and cross-border workers and so on.

⁴³ In 2018, the national average wage is RON4,162 (EUR910).

Employer – general conditions:

- The employer – either a legal person or an authorised natural person – performs the economic activities for which the foreign employee is hired.
- All taxes and social contributions owed to the state budget for the quarter preceding the application have been paid.
- The employer has not been sentenced for an infraction listed in the Employment Code or for any infraction against persons, committed with intent, as defined under the Penal Code.
- The employer has not been fined in the previous 3 years for employing up to 5 foreigners without the right to legally work in Romania, for infringements upon employees' rights or for not fulfilling its obligations towards the relevant authorities regarding its employees.
- The annual threshold for each type of workers newly admitted to the Romanian labour market has not been exceeded.

Employee – general conditions:

- The foreigner to be hired meets all the specific conditions for the relevant category of foreign workers and has not been the subject of a decision to terminate their right to enter Romania.

A foreigner holding an employment permit – except for seasonal workers - can be promoted to a new job within the company. However, in this situation, the employer needs to apply for a new employment permit.

Salary requirements

While there are no requirements regarding the salary to be paid to the foreigner for the issuance of the employment permit, the foreigner will have to apply for a visa for long term employment. Among the conditions they will have to meet, there is a requirement to prove they have the means to support

themselves at a minimum level of the national minimum wage⁴⁴. Furthermore, the foreigner will have to apply for the extension of their work visa, for which proof of having financial means to support themselves at a minimum level of the national average wage must be given⁴⁵.

9.3 Temporary Visitor Visas

Romania awards the following types of visas:

a) Airport transit visa (A symbol)

- Allows entry to the international area of airports and stays until boarding on the plane towards the destination country

b) Transit visa (B symbol)

- Allows entry into Romania for transit purposes for up to 5 days

c) Short stay visa (C symbol)

- Allows entry into Romania, as well as stays for a period of no more than 90 days within a 180 day period, in order to perform one of the following activities: official mission, tourism, business, private visit, transport, participation in cultural, scientific or humanitarian activities, short-term medical treatments and any other activities that are not against Romanian legislation
- The right to stay in Romania based on a Short stay visa cannot be extended.
- The purpose of the stay in Romania cannot be changed during the stay.

⁴⁴ In 2018, the minimum wage is RON1,900 (EUR415).

⁴⁵ In 2018, the national average wage is RON4,162 (EUR910).

d) Long stay visa (D symbol)

- Allows entry into Romania and stays for shorter than 90 days in order to perform one of the following activities: economic activities, professional activities, commercial activities (investments), employment, studies, family reintegration, detached workers, religious activities, research activities and any other activities that are not against Romanian laws.
- The visa grants the right to stay in Romania for up to 90 days. Stays can be extended by obtaining a residence permit issued by the Immigration General Inspectorate.

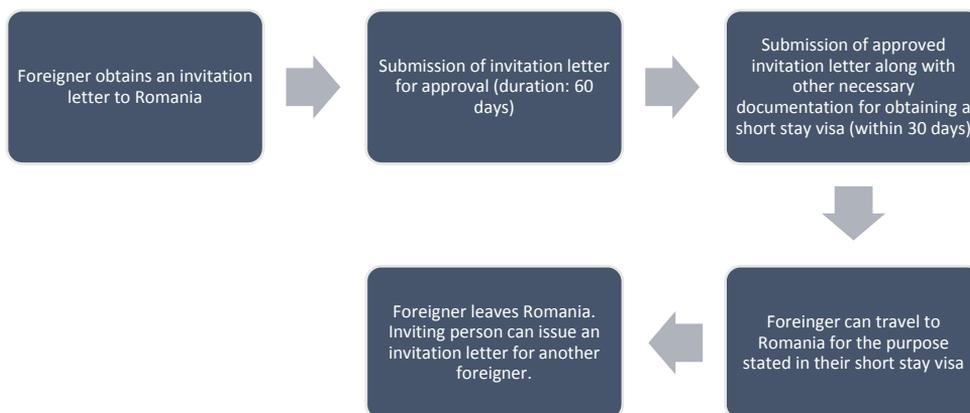
Conditions for obtaining a Short Stay Visa

There are several types of Short Stay Visas that can be awarded for entrance and stays in Romania:

- Official mission (C/M symbol) – is issued to third state citizens and their family members that travel to Romania because of their political, administrative or public service position in the government or the administration of the country of origin or in international organisations.
- Tourism visa (C/TU symbol) – is issued to third state citizens that travel to Romania for touristic purposes.
- Private visit (C/VV symbol) – is issued to third state citizens that travel to Romania for private visits to Romanian citizens or to foreigners that have a residence permit in Romania.
- Business (C/A symbol) – is issued to third state citizens that travel to Romania for economic or commercial purposes, for negotiations, for carrying out trainings of local personnel, for checking the use and functioning of goods purchased or sold within commercial contracts or industrial co-operation contracts, as well as to foreigners that will become shareholders or associates in Romanian commercial entities.

- Transport (C/TR symbol) – is issued to third state citizens that will travel to Romania for short periods, for performing professional activities connected to the transport of merchandise or persons.
- Sports activities (C/SP symbol) – is issued to third state citizens that will travel to Romania for a limited duration, to participate in sports competitions.
- Taking part in cultural, scientific or humanitarian activities, short-term medical treatment or other activities that are not against Romanian legislation (C/ZA symbol) – is issued to third state citizens that can prove the reason of their stay in Romania.

Citizens of some third countries⁴⁶ need an *invitation letter*, approved by the Immigration General Inspectorate when travelling to Romania based on a private visit, tourism or business visa. The Immigration General Inspectorate approves petitions for approval of an invitation within 60 days from submission of the necessary documentation. The approved invitation must be used to apply for a short stay visa within 30 days. A new invitation cannot be approved for any person whose previous visitor has not left Romania yet.



⁴⁶ Afghanistan, Algeria, Angola, Bangladesh, Chad, Chinese Mainland, RD Congo, South Korea, Egypt, India, Indonesia, Jordan, Iran, Iraq, Lebanon, Libya, Mali, Morocco, Mauritania, Nigeria, Pakistan, Palestine, Syria, Somalia, Sri Lanka, Sudan, South Sudan, Tunisia, Uzbekistan and Yemen.

Several categories of foreigners are exempted from obtaining an approved invitation letter when travelling to Romania based on a short stay visa:

- Minors whose parent is a refugee or has protected status or has a residence permit valid for at least 90 days from the date of the visa
- Spouse and parents of a foreigner that has refugee status or has protected status or has a residence permit valid for at least 90 days from the date of the visa
- Foreigners, irrespective of age, whose parent is a Romanian citizen
- Foreigners, parents of a Romanian citizen
- Foreigners married to Romanian citizens
- Foreigners that have a valid residence permit in one of the EU/EEA Member States or Schengen states, on condition that the validity of the visa does not exceed the validity of the residence permit
- Foreigners that have a valid residence permit in a state whose citizens are exempted from visa obligations for entrance in EU Member States / EEA Member States / Schengen states
- Foreigners that have entry visas issued by EU/EEA Member States or Schengen states, as well as states for which there is no visa obligation. The Romanian visa's validity cannot exceed the validity of the initial visa.
- Foreigners that travel to Romania at the request of administrative authorities or at the request of a company set up according to the relevant Romanian legislation, that is a contributor to the state budget and that guarantees to provide the financial means, medical assistance and departure costs for the foreigner.
- Foreigners that travel to Romania at the invitation of diplomatic offices or authorised foreign consulates open in Romania

- Foreigners for which the visa has been requested at the diplomatic office or consulate, by foreign central public authorities or by foreign chambers of commerce.
- Foreigners for which the visa has been requested by one of the following Romanian institutions: The Presidential Administration, Parliament, Government, other central and local public authorities, Romanian Chamber of Commerce and Industry, as well as other local public authorities that guarantee to provide the financial means, medical assistance and departure costs for the foreigner
- TIR drivers
- Diaspora Romanian personalities and their descendants
- Parents of pupils or students accepted for studies in Romania that travel for first accommodation of the pupil/student, provided they present proof of family connection
- Foreigners that travel to Romania at the request of a public interest legal persons, that guarantees to cover the financial means, medical assistance and departure costs for the foreigner

10. Sales Promotion

10.1 Restrictions on the Different Types of Sales Promotions

When advertising a sales promotion where the new price of the products can be compared to the reference price, the seller needs to abide by several conditions. The reference price is always the lowest price in the past 30 days at the same point of sale. With some exception, any advertisement indicating price cuts needs to indicate the price cut in relation to the reference price. Price cuts expressed in absolute values or percentages, need to be visible and legible, must not confuse consumers and can be expressed by:

- mentioning the new price next to the slashed old price, or
- mentioning “new price”, “old price” next to their corresponding values, or
- mentioning the percentage cut and the new price placed next to the slashed old price.

Price cuts for products and services cannot be presented as a free sub-component of the product or service.

Catalogue advertisements and promotional offers launched by correspondence sellers can only be valid until the stock is depleted, on condition this information is visible in the catalogue or offer.

The rules above do not apply when the price cut results from increasing the volume of product sold within a package or the number of products sold in a collective package.

Products on sale or with promotional offers that expire within the next 3 days need to be placed in a separate shelf or stand and visibly marked as products that will soon expire.

In Romania, several types of sales promotions are allowed⁴⁷:

Going out of business sales

Going out of business sales can be organised when:

- a) The seller closes activities permanently. This includes situations when the owner, tenant or authorised agent changes and excludes situations when the point of sale is purchased or rented by a legal person administered or co-owned by the seller.
- b) The seller closes the point of sale from their own initiative or because of a termination of the rent or lease contract for the location or after a final foreclosure decision.
- c) Seasonal suspension of selling activities for at least 5 months after the liquidation operations.
- d) Changes in the profile of the unit or suspension/replacement of an activity performed in the unit.
- e) Changes in the operating conditions of the commercial areas, if the construction works take longer than 30 days and are performed in the interior of the unit and the point of sale is closed during this time.
- f) Liquidating stock by heirs of a business owner that has passed.
- g) Serious damage because of natural phenomena or vandalism to a part or the entire stock.

Going out of business sales need to be notified to the relevant City Hall at the latest 5-15 days prior to the sale. The duration of the sale can last up to 15-90 days. Any publicity or advertisement measures for the sale needs to mention the start and end date, as well as the type of merchandise being sold (when the sale does not cover the entire stock).

⁴⁷ According to Ordinance 99 of 2000 regarding the sales of goods and market services

During a going out of business sale, only merchandise included in the inventory list submitted to the City Hall and already present at the point of sales can be sold. In general, going out of business sales can be organised only at the point of sales where the merchandise is usually sold.

Selling at a loss is generally prohibited (except for the going out of business sales).

Clearance sales

Clearance sales refer to the promotional sales of seasonal stock. Clearance sales can be organised only twice a year, each period lasting a maximum of 45 days:

- During 15 January and 15 April – for winter and autumn collections
- During 1 August and 31 October – for spring and summer collections.

Clearance sales organised outside of these periods are considered illegal. Merchandise cannot be purchased specifically for organising a clearance sale. The seller must pay for the stock being sold at least 30 days before the clearance begins and must have offered the merchandise for sale prior to the clearance. All clearance sales must be notified to the relevant City Hall at least 15 days prior to the start of sales.

The inventory sold during a clearance sale must be brought to the point of sales at least 15 days before the clearance starts and the stock cannot be renewed after depletion. Clearance sales must take place in the units where the inventory is usually sold.

Any publicity or advertisement measure for the clearance sale must indicate the start and end date of the sale, as well as the type of merchandise being sold (in case the sale does not cover the entire inventory at the point of sale).

Sales in factory shops or factory deposits

Sales in factory shops or factory deposits can cover only products manufactured by the seller and can be offered only to final consumers. These type of sales does not have to be notified in advance.

Except for food products, merchandise sold in factory shops or deposits must meet the following criteria, which must be presented to consumers:

- It has not been priory put up for sale for any manufacturing defects.
- It was not returned by the distribution network.
- It is part of the previous season's unsold inventory.

Promotional sales

Promotional sales can include retail sales, cash and carry sales or market services sales that are organised throughout the year, without prior notification to the City Hall, on condition that:

- They are not sold at a loss.
- They cover products that are available or can be re-stocked.
- The inventory sold needs to be available for sale for the entire period for which the promotional sales is advertised or the seller needs to inform consumers that the sales only covers available stock.

Advertising or promotional activities organised by producers when launching a new product are not considered promotional sales.

Other sales promotions:

- Sales of products aimed at satisfying an occasional need, after the event has passed and it is obvious that the products cannot be sold under normal conditions.

- Sales of products that could not be sold within 3 months from purchase.
- Accelerated sale of highly perishable products or products whose conservation until the expiry date cannot be guaranteed.
- Sales of products at a price aligned to the price of the same product offered by the competition in the same commercial area.
- Sales of products with the same characteristics, whose purchasing price has been reduced.

10.2 Advertising

Current Romanian legislation⁴⁸ places the responsibility of advertisements' content on the advertiser. They must be able to support the claims included in any ads and must be able to provide supporting documentation to authorities, when asked to do so, within 7 days.

In Romania, the following types of advertising are considered illegal:

- Subliminal advertising
- Advertising that undermines respect for human dignity and public morals
- Advertising that includes discrimination based on race, sex, language, origin, social origin, ethnic identity or nationality
- Advertising that undermines religious or political opinions
- Advertising that brings prejudices to persons' image, honour, dignity and private life
- Advertising that makes use of superstitions or persons' gullibility or fear
- Advertising that undermines people's security and promotes violence

⁴⁸ Applicable legislation: Law 148 / 2000 regarding advertising

- Advertising that encourages a behaviour that is harmful to the environment
- Advertising that promotes the sale of goods and services that are produced or distributed in circumstances that violate Romanian legislation
- Advertising that promotes drugs or psychotropic substances

Advertisements for any type of fire weapons, ammunition, explosives and pyrotechnic materials, except for hunting weapons, as well as weapons for sport or exhibitions, cannot be placed outside of sales areas. Only medicine that can be bought without prescription can be advertised. Any promotional materials need to be priorly approved by the National Medicine Agency.

The Romanian Advertising Council (RAC)⁴⁹ is a self-regulation body representing the interests of the industry in relation to the authorities and final consumers. RAC has developed a mandatory Code of Conduct for its members.

Comparative advertising

Under certain conditions⁵⁰, comparative advertising is allowed. An advertisement can show comparisons between similar goods and services or between products that fulfill the same needs. As long as the advertisement makes the comparison objectively, showing essential, relevant, verifiable and representative features of both products or services (including their price), such advertisements are permitted.

However, comparative advertisements cannot slander or confuse brands, commercial names or distinctive signs of the competition's goods, services or activities. The unfair use of a competitor's brand reputation or commercial name or any other distinctive sign cannot be included. Nor can reproductions

⁴⁹ <https://www.rac.ro/ro>

⁵⁰ Applicable legislation: Law 158 / 2008 regarding false advertising and comparative advertising

or imitations of brand products or trademarked products be used in comparative advertising.

In case of comparative advertising for products with origin designation, the same name must be used for both products compared.

Advertising tobacco and alcoholic products

Radio or TV advertising for tobacco products is not allowed, nor is it allowed on the back of transport tickets. Advertising for alcoholic products must not be placed on the first or last cover of magazines, nor can it be placed on the back of transport tickets. Also, alcoholic beverages and tobacco products must not be advertised in schools or medical centres, as well as on a radius of 200m around them. Such advertisements must not be placed in publications targeting minors, and must not be presented before, during or after shows for minors.

Advertisements for alcoholic or tobacco products must not be addressed to minors, must not show minors consuming the products and must not suggest they have therapeutic or sedative effect, nor that they can help solve personal problems. Also, advertisements must not suggest abstinence is negative and must not highlight the alcohol content in beverages with the purpose of stimulating consumption. Advertisements must not make any connection between alcohol and driving.

Tobacco advertisements must include warnings in Romania. The text and size of the warning are established by decision of the Ministry of Health.

Advertisements targeting children

Advertisements targeting children must not contain any type of elements that can cause physical, moral, intellectual or psychical damage. Children must not be indirectly encouraged to buy products and services, by taking advantage of their lack of experience or gullibility. Advertisements must also not target the relationship between children and parents or children and

teachers and must not show, without justified reasons, minors in dangerous situations.

10.3 Internet Promotion

E-mail promotional activities are forbidden when the recipient has not given his consent for receiving promotional materials. This aspect is further reinforced by the General Data Protection Regulation that came into force across the EU on 25 May 2018. Internet promotional activities are illegal in the absence of documented consent from all end recipients. Consumer data collection and processing must obey stricter rules. The new regulation applies to all companies providing goods and services to European citizens, irrespective of their headquarters.

Any internet promotional activities must be identifiable as such⁵¹. The company sending the promotional materials must also be easily identifiable and any offers, prizes and presents must be clearly identified as such and must be accompanied by the conditions for obtaining them, expressed in easily understandable language.

⁵¹ Applicable legislation: Law 365 / 2002 regarding electronic commerce

11. Other Aspects

11.1 Investment Rules and Regulations

Mergers and acquisitions⁵²

Some mergers and acquisitions are reviewed by the Competition Council⁵³. Transactions where the aggregated turnover of the involved companies exceeds EUR10 million and where at least two of the companies involved have obtained a turnover of at least EUR4 million each in Romania are screened. The goal is to prevent monopolies and any other forms of distorting competition on the Romanian market. Several aspects are placed under analysis, such as:

- If two or more parent companies perform the same activities as the common company, as well as any activities directly upstream or downstream or on a strongly-related market.
- If the merger or acquisition can result in the elimination of competition for a significant part of the offered products or services.

In addition, Romania's Supreme Defense Council⁵⁴ can review mergers and acquisitions that are considered strategic, such as mergers and acquisitions with an impact on the security of: citizens, borders, energy system, transport, supply of essential resources systems, critical infrastructure, IT and communication systems, financial, fiscal, banking and insurance activity, weapon, ammunition, explosives and toxic substances production, industrial security, protection against disasters, agriculture and environmental protection, privatisation of state-owned enterprises and their management.

⁵² Applicable legislation: Law 21 / 1996 Competition Law

⁵³ www.consiliulconcurrentei.ro/ro/despre-noi.html

⁵⁴ <http://csat.presidency.ro/>

Public-private partnerships⁵⁵

The legislation for public-private partnerships has been revised in 2018, but the implementation rules are not yet available. The revised legislation applies to those PPPs for which more than half of the revenue obtained by the project company during the operation and maintenance phase of the project comes from the public partner.

Current legislation defines PPP as a co-operative initiative between a public and a private partner with the goal of executing a public project. The co-operation must be long-termed (at least 5 years), to allow the private investor to recover their investment. At least 75% of the investment is funded from private sources. The distribution of risks between partners must be documented and it must consider the public partner's capacity to manage the given risk. The legislation foresees two forms of PPP:

- **A contractual private-public partnership** – where the partners in the PPP are the private investor, the public entity and a project company owned completely by the private partner.
- **An institutional private-public partnership** – where the partners in the PPP are the private investor, the public entity and a project company owned by the other two partners.

There are no restrictions relating to the private investor in a PPP. Private-public partnership contracts are awarded following the national tendering legislation (see below).

Procedure for setting up a PPP

STEP 1 – Conducting a pre-feasibility study

- Only the public partner can initiate a PPP

⁵⁵ Applicable legislation: Government Emergency Ordinance 39 / 2018 regarding Private – Public Partnerships

- The pre-feasibility study can be outsourced to consulting companies. The cost of the study is covered by the public partner or by the National Commission for Strategy and Prognosis acting as a representative of the public partner.

STEP 2 – Obtaining the Government's or Local Council's approval for the study

- Projects involving central public authorities need the Government's approval, while projects involving local public authorities need the Local Council's approval.

STEP 3 – Organising a public tender for selecting the private partner

- The selection of the private partner for strategic PPPs can be done by the National Commission for Strategy and Prognosis (www.cnp.ro) as a representative of the public partner involved.
- Once selected, the private partner cannot subcontract any part of the contract to third parties (with some exceptions).

STEP 4 – Obtaining the Government's or Local Council's approval for the negotiated PPP

- Projects involving central public authorities need the Government's approval, while projects involving local public authorities need the Local Council's approval.

STEP 5 – Concluding the PPP agreement

- Any changes made to the PPP after the agreement has been concluded needs to be approved by either the Government (for projects involving Central Public Authorities) or the Local Councils (for projects involving Local Public Authorities).
- Irrespective of the nationality of the private partner, the PPP agreement is governed by Romanian law.

STEP 6 – Execution of the contract

- At the end of the contract, the object of the contract is transferred to the public partner, irrespective of the phase it is in (completed or in progress). If the contract is suspended before its expiry date due to the private partner's failure to comply with agreed obligations, the public partner is entitled to compensation (as described in the PPP agreement).

Financing a PPP

Funding for the investment can be provided either by the private investor or by both partners. Careful consideration must be given to respecting state aid legislation when public funding is involved. The public partner can cover their contribution to the PPP initial investment either from European Structural and Investment Funds (ESIF), national complementary funding for ESIF programs or from other public sources. However, no more than 25% of the total value of the PPP investment can be covered from public sources other than ESIF sources or the national complementary funding for ESIF programs.

In addition, the public partner can support the project by:

- Granting without a separate tender procedure of various rights to the project company or to the private partner, as long as those rights are mentioned in the PPP agreement. Among the rights that can be awarded to the project company or the private partner are: the right to lease public goods needed for the project's execution, as well as superficies and access rights or the right of use for any private goods. The project company can be awarded the right to set and collect tariffs from end users, provided that they are set according to any relevant legislation.
- Cash contributions to the project company's social capital.
- Offering guarantees to financial institutions for credits given to the project.

Besides their contribution to the initial investment, a public partner can make payments to the project company or to the private partner only during the

operating and maintenance phase of the project. To this end, the Government intends to set up a Special Fund for financing PPPs, which will be responsible for making payments from public sources to all approved PPP projects in Romania.

Using the rights and financial benefits derived from a PPP as collateral for obtaining financing from financial institutions by the private partner is only allowed as long as the funding is used for the PPP.

Privatisation rules⁵⁶

Privatisation operations are conducted by the Romanian Government, through the Authority for Administration of State Assets⁵⁷. Special rules apply to the privatisation of banks or state-owned tourism companies. Foreign entities can freely participate in privatisations procedures and there is no limit on foreign participation in the capital of Romanian companies. In addition, foreign companies can freely participate in the management and administration of a private or public company.

11.2 Participating in Public Tenders

The current legislation regarding public tenders in Romania⁵⁸ is aligned with existing European regulations. Local and central public authorities, including subordinated structures such as institutes, departments, public service institutions or associations of one or more public authorities must follow the tendering procedure laid out in the national legislation.

In addition, if more than 50% of a contract is funded from public sources, the contract value exceeds the thresholds below (Table 1) and the object of the contract is represented by civil engineering works, construction works for hospitals, sports facilities, recreational and amusement parks, pre-university or university education institutions, as well as administrative buildings, then

⁵⁶ Applicable legislation: Emergency Ordinance 88 / 1997 regarding privatisation of companies

⁵⁷ www.aaas.gov.ro

⁵⁸ Law 98 / 2016 regarding public tendering and Government Decision 395 / 2016 regarding norms for implementing Law 98 / 2016.

the same tendering legislation applies as for public authorities, irrespective of the type of tenderer. This is especially important in the European structural and investment funds context, where private investments could fall within the scope of the tendering legislation.

Table 1 - Thresholds for applying tendering rules, irrespective of the type of tenderer

Scope of the contract	Estimated value
Construction works	RON23,227,215 (EUR5 million)
Supply of goods and services contracts – general	RON600,129 (EUR130,000)
Supply of goods and services contracts – local authorities	RON929,089 (EUR200,000)
Supply of social services and specific services contracts	RON3,334,050 (EUR720,000)

Direct purchases without organising a public tender procedure can be made by any of the above-mentioned entities, if the value of the contract does not exceed RON132,520 (EUR28,600) for supply of goods and services contracts and RON441,730 (EUR95,300) for construction works contracts. For contracts not exceeding RON10,000 (EUR2,150) irrespective of the scope of the contract, the contract can be awarded without using the Public Electronic Tender System.

Conditions for submitting an offer in a public tender

Purchasers organising public tenders must ensure equal treatment to all bidders, as well as transparency. This is ensured through the publication of all tender notices and subsequent communications for a tender in the National Public Electronic Tender System⁵⁹.

⁵⁹ <https://sicap-prod.e-licitatie.ro/pub>

Types of public tender procedures

- **Open tender:** This is the most common procedure. Any eligible bidder can submit an offer after the tender notice has been published.
- **Restricted tender:** After the tender notice is published, any bidder can submit a request to participate but only eligible bidders are invited to submit an offer.
- **Competitive negotiation:** After the tender notice is published, any bidder can submit a request to participate, but only eligible bidders are invited to submit an offer. The purchaser then opens negotiations with the invited bidders in order to improve the submitted offers.
- **Competitive dialogue:** After the tender notice is published, any bidder can submit a request to participate, but only eligible bidders are invited to the dialogue stage. The bidders selected in the dialogue stage are then invited to submit a final offer.
- **Partnership for innovation:** The procedure is used for developing and purchasing a product, service or construction works considered to be innovations, provided that all other available products, services and construction works do not satisfy the needs of the purchaser.
- **Negotiation without prior publicity:** The procedure is used only for cases when: after an open tender procedure or a restricted tender procedure or a simplified tender procedure have not received any adequate offers; the products, services or construction works can be supplied by a single supplier (restrictions apply); in case of emergency where there is not enough time for normal procedures to be organised.
- **Solution contest:** The procedure implies organising a competition for a project, plan or strategy and selecting a bidder based on the winning solution selected by a specialised jury. The procedure is used for landscaping, architecture, engineering or data processing.

- **Procedure for social and other specific services:** The procedure is used solely for social and several specific services (health, social or cultural services).
- **Simplified procedure:** The procedure is applied to contracts with an estimated value above the direct purchase threshold (RON10,000), but below the thresholds in Tabel 1 above.

The tender file must include all requirements bidders must meet to be selected. Foreign bidders cannot be rejected solely based on their origin, if they are authorised by their national legislation to execute the contract for which they are bidding.

Companies can participate in a public tender either as individual bidders or in a consortium. The purchaser cannot ask the consortium to take a certain legal form to be able to submit a valid offer. However, if the contract cannot be executed by a consortium without a legal form, then the purchaser can include this requirement in the tender file. The purchaser is also entitled to define several specific non-negotiable clauses for the tendered contract. These specifications need to be included in the tender file.

The purchaser is entitled to ask for proof of meeting environmental, social and employment national, European or international legislation. When tendering supply of service contracts or construction works contracts, bidders are entitled to ask for the name and qualifications of the personnel that will be attributed to the contract by bidders. The purchaser can formulate several qualifying requirements for participating bidders, relating to their financial capacity, as well as technical and professional capacity.

In addition, bidders can be asked to identify their intended sub-contractors (if subcontracting is permitted for the given tender). If subcontracting is permitted, then subcontractors are held to the same requirements regarding environmental, social and employment obligations as the bidder.

Bidders are entitled to require confidentiality regarding the submitted offers and purchasers are obliged to comply. However, the result of a tender

procedure cannot be considered confidential and needs to be properly advertised.

Throughout the tender procedure, both purchaser and bidders must avoid any conflict of interests. The purchaser's personnel must not have any financial, economic or personal interest that could compromise the impartiality and independence of the tender procedure. The following situations are considered a breach of the requirement:

- Shareholders of the bidders, subcontractors or supporting third parties taking part in the offer evaluation meetings.
- Spouses or relatives of shareholders, up to second degree, of the bidders, subcontractors or supporting third parties taking part in the offer evaluation meetings.
- Persons with direct or indirect personal, financial, economic or other interests that affect the independence and impartiality of the tender are taking part in the offer evaluation meetings.
- Bidders, subcontractors or supporting third parties where members of the purchaser's staff responsible for the tender or their spouses and relatives are shareholders taking part in the tender.
- Bidders who have nominated spouses or relatives of the purchaser's staff responsible for the tender as staff responsible for executing the contract.

The selected bidder cannot conclude any contracts with members of the purchaser's staff that were responsible for evaluating bids for at least 12 months after the contract for which the bid had been made is concluded.

11.3 Local Investment Incentives

European Structural and Investment Funds

Romania has access to EUR30.7 billion for the 2014-2020 period. There are 8 Operational Programs and more than 150 sub-programs and funding streams. Most of the funding is available as non-refundable grants, though there are plans to introduce the use of financial instruments. More than 90% of the available funding targets public projects submitted by central or local public authorities, while the rest finances private projects submitted by companies or NGOs.

Operational Program	2014 – 2020 Financial Allocation	Management Authority	Type of projects funded (selection)
Large Infrastructure	EUR9.41bn	Ministry of European Funds	<ul style="list-style-type: none"> ✓ Infrastructure projects related to the TEN-T network, Multi-modal infrastructure projects ✓ Environmental infrastructure projects (waste deposits, sewage projects, water infrastructure, etc.) ✓ Biodiversity conservation and air quality improvement projects ✓ Natural hazards mitigation projects ✓ Renewable energy and energy efficiency projects
Human Capital	EUR4.33bn	Ministry of European Funds	<ul style="list-style-type: none"> ✓ Project targeting unemployment, especially youth unemployment and NEETs ✓ Training projects and apprenticeship initiatives ✓ Project targeting marginalised groups and people at risk of poverty ✓ Training projects for specific occupations (doctors, medical personnel, teachers, etc.)

Operational Program	2014 – 2020 Financial Allocation	Management Authority	Type of projects funded (selection)
Administrative Capacity	EUR0.21bn	Ministry of Public Administration and Regional Development	<ul style="list-style-type: none"> ✓ Administrative capacity development projects for the legal system and /or local and central public authorities
Competitivity	EUR1.33bn	Ministry of European Funds	<ul style="list-style-type: none"> ✓ Research and innovation projects submitted by research institutes, universities, other public institutions, PPPs, private RDI projects, etc. ✓ Broadband infrastructure development projects ✓ Cluster development projects ✓ Cybersecurity projects as well as e-education, e-inclusion, e-health and e-culture development projects
Technical Assistance	EUR0.55bn	Ministry of European Funds	<ul style="list-style-type: none"> ✓ Capacity development for organisms managing European Structural and Investment Fund instruments and programs
Regional	EUR6.7bn	Ministry of Public Administration and Regional Development	<ul style="list-style-type: none"> ✓ Investments in the manufacturing sector realised by SMEs ✓ Energy efficiency projects ✓ Urban development projects ✓ Cultural and tourism projects ✓ Regional road infrastructure projects ✓ Health, social and educational infrastructure projects ✓ Development projects for small and medium-sized cities

Operational Program	2014 – 2020 Financial Allocation	Management Authority	Type of projects funded (selection)
Rural Development	EUR8.01bn	Ministry of Agriculture and Rural Development	<ul style="list-style-type: none"> ✓ Training, counselling and farm management development projects ✓ Farm development investments ✓ Non-agricultural business initiatives in the rural sector ✓ Support for producers' groups and similar market organisation initiatives ✓ Local development initiatives
Fishery	EUR0.17bn	Ministry of Agriculture and Rural Development	<ul style="list-style-type: none"> ✓ Fishery development investments ✓ Investments in processing capacities ✓ Investments in modernising fishing activities and reducing environmental pressure ✓ Investments in fishing ports and fishery infrastructure ✓ Energy efficiency improvement initiatives

Companies can submit project proposals for the calls for projects targeting the private sector. In most cases, to be eligible for funding, a company must have a history of 1-3 years and prove profitability in the form of previous operational profits or net profits for the previous years. Several calls for projects target start-ups and spin-offs. However, none of the programs above offer funding to companies facing financial difficulty⁶⁰ or registering debts to local or the central budgets. Restrictions also exist regarding maintaining the investment in the initial location for at least 3-5 years after project implementation and non-delocalisation of the funded activity outside of the EU for at least 10 years after the project ends. Funds offered to companies for implementing projects are in most cases considered state aid and must comply with the existing

⁶⁰ As defined in the Communication from the European Commission 2014 / C 249/01 Guidelines on State Aid for rescuing and restructuring non-financial undertakings in difficulty (art. 2.2)

European legislation regarding state aid⁶¹. Therefore, the amount of the grants offered, and the percentage of funding applied depends on the type of state aid offered, the size of the beneficiary company, the location of the investment and several similar factors. Disclosure of shareholders' structure for the applicant company and any connected enterprises, as well as financial statements for previous years for all entities in a holding are generally requested as annexes to the application file.

In general, projects can start only after the investment project has been selected for funding and a funding agreement was concluded with the Management Authority. On average, the submission, evaluation and contracting phases of a project takes 8-12 months, after which the project can start. Projects will usually have to be pre-financed by the beneficiary, while grants will be offered as reimbursement of eligible expenses already incurred by the beneficiary. An alternative funding mechanism offers pre-financing of the project's expenses, but is currently less used due to additional requirements and bureaucracy. All assets purchased within a project funded from ESIF programs must be new and the beneficiaries must obey the national tendering legislation.

Correct project implementation usually implies the existence of a local project team and an executive with decision power in the project execution and communication with the authorities. There is a vast body of instructions and rules to be followed during project implementation covering various aspects related to changes made to approved projects, mortgaging, reimbursement, mandatory publicity measures, project auditing, etc.

⁶¹ Applicable legislation: Commission Regulation (EU) 651 / 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty; Commission Regulation (EC) 1407 / 2013 regarding de minimis aid; Commission Regulation (EUR) 702 / 2014 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market; Commission Regulation (EUR) 1408 / 2013 de minimis aid in the agriculture sector

National incentive schemes

The European Structural and Investment Funds above provide most of the funding available for investment projects. However, several smaller programs are active at the national level, all of which constitute state aid granted to private companies, which needs to respect the European legislation regarding state aid. In addition to the programs presented below, local public authorities can initiate support programs to encourage business development locally, usually granting local tax exemptions⁶².

Program	Management Authority	Description of the program
Government Decision 807 / 2014 Encouraging investment projects having a major impact on the economy	Ministry of Public Finance	SMEs and large enterprises planning an initial investment project ⁶³ with a minimum value of EUR3 million: <ul style="list-style-type: none"> - Opening a new facility - Expanding the capacity of an existing facility - Diversifying the product portfolio of an existing facility by introducing new, previously un-included products - A fundamental change in the production process of an existing facility
Government Decision 332 / 2014 State aid scheme to support investments promoting regional development through the creation of jobs	Ministry of Public Finance	The program partially reimburses the salary costs for 2 consecutive years for newly created jobs resulting from an investment project implemented by SMEs or large enterprises, if more than 10 new jobs are being created by the investment.
Start-up Nation Program	Ministry for Business, Commerce and Entrepreneurship	The program supports the creation and development of small and medium sized enterprises. In 2018, up to RON200,000 (EUR43,000) at a funding rate of 100% are offered as grants for implementing the selected business plans. The program is expected to continue yearly, until 2020.

⁶² A list of all active local support programs can be accessed at www.ajutordestat.ro/?pag=166

⁶³ As defined by the Commission Regulation (EU) 651 / 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty

Program	Management Authority	Description of the program
Female Managers Program	Ministry for Business, Commerce and Entrepreneurship	The program supports the creation and development of SMEs by women. The support is offered for participating in entrepreneurship workshops and conferences at various levels (regional, national or international). The program is expected to continue yearly, until 2020.
EMPRETEC Program	Ministry for Business, Commerce and Entrepreneurship	The program is a training and counselling initiatives aimed at existing entrepreneurs. It offers support for internationalisation, business development, etc. Support is given in the form of workshops on various topics for the selected entrepreneurs. The program is expected to continue yearly, until 2020.
Micro-industrialization Program	Ministry for Business, Commerce and Entrepreneurship	The program offers support for the creation and development of SMEs in priority sectors. In 2018, the program offers up to RON450,000 (EUR100,000) at a funding rate of 90% as support for purchasing various tangible and non-tangible assets. The program is expected to continue yearly, until 2020.
Commerce Program	Ministry for Business, Commerce and Entrepreneurship	The program offers financial support to SMEs selling goods and services in Romania. The funds can be used to purchase various tangible and non-tangible assets. The grants offered can reach up to RON250,000 (EUR55,000) with a funding rate of no more than 90%. The conditions of the program can vary yearly. The program is expected to continue yearly, until 2020.

11.4 Risk Portfolios

11.4.1 Restrictions on profit repatriation

Romanian tax authorities comply with OECD Transfer Pricing Guidelines, although Romania is not an OECD member. The general definitions and rules for transfer pricing are provided in the Fiscal Code and Fiscal Procedural Code

adopted in 2015. In addition, there is a specific order issued in 2016 by the National Agency for Tax Administration which relates to the content of the transfer pricing file⁶⁴.

Intra-group transactions and cross-border transactions between *affiliated parties* must be documented. A transfer pricing file must be submitted to the National Agency for Tax Administration within 3 to 6 months, with the possibility of a single extension of no more than 30 days.

Two entities are considered to be affiliated if they are covered by the following definitions:

- The first entity directly or indirectly holds at least 25% of the shares (number/value) or voting power of the other entity or it has effective control over the other entity.
- The second entity directly or indirectly holds at least 25% of the shares (number/value) or voting power of the first legal entity.
- A third entity directly or indirectly holds a minimum of 25% of the shares (number/value) or voting power of both entities.

A natural person is considered to be related to a legal entity if this person directly or indirectly holds at least 25% of the shares (number/value) or voting power of the legal entity or it has effective control over the legal entity.

Transactions performed between related parties must be documented annually and disclosed in the transfer pricing file. A transfer pricing study is required as well. There are special rules depending on the size of the taxpayer and materiality thresholds are also defined for three types of transactions, which impact the timing of the preparation and the content of the transfer pricing documentation.

The transfer pricing file must contain significant information about the group. Companies prepare transfer pricing files only for transactions they are directly

⁶⁴ National Agency for Tax Administration Order 442 / 2016 regarding transfer pricing

involved in. There is no cumulative transfer pricing report covering all affiliated entities residing in Romania.

The likelihood of a tax audit by the Romanian authorities has to be considered medium to high, but there is a very high possibility that transfer pricing issues will be examined during an audit. Loss-making companies are more likely to be subjected to tax audits.

11.4.2 Ease of doing business

According to the World Bank ranking for Ease of doing business in 2018⁶⁵, Romania ranks 45th out of 190 countries analysed. Romania is ranked higher than Hungary (48th) or Bulgaria (50th), but after the Czech Republic (30th) or Moldova (44th). Romania's rankings for individual factors considered in the World Bank study are:

- Ease of starting a business: 64th place out of 190
- Dealing with construction permits: 150th place out of 190
- Getting electricity: 147th place out of 190
- Registering property: 45th place out of 190
- Getting credit: 20th place out of 190
- Protecting minority investors: 57th place out of 190
- Paying taxes: 42nd place out of 190
- Trading across borders: 1st place out of 190
- Enforcing contracts: 17th place out of 190
- Resolving insolvency: 51st place out of 190

⁶⁵ www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Profiles/Country/ROM.pdf

Romania also ranks 62nd (out of 138) according to the International Monetary Fund's Global Competitiveness Index, 2016-2017 edition.⁶⁶ The top 5 most problematic factors for doing business are considered: access to financing, inefficient government bureaucracy, tax rates, inadequately educated workforce and corruption.

11.4.3 Complex taxation system

According to the Financial Complexity Index⁶⁷ for 2018, that evaluates the complexity of accounting and tax systems across the world, Romania ranks 17th globally, up from 54th place in 2017. According to the World Bank's Doing Business Ranking for 2018⁶⁸, the country is ranked 45th globally.

11.4.4 Double Taxation Treaty (DTT)

Romania has concluded numerous double taxation treaties (DTT). A new DTT with China has been signed in June 2017, entering into force on 1st January 2018, replacing the old treaty signed in 1992. A similar treaty has been signed with Hong Kong in November 2016 and is still in force. The full list of treaties can be consulted on the National Office for Tax Administration's dedicated website⁶⁹.

11.4.5 Investment Promotion and Protection Agreements (IPPAs)

Romania has concluded an Investment Promotion and Protection Agreement with China in 1994⁷⁰. It has been amended through a protocol signed in April 2007⁷¹ to reflect Romania's accession to the EU. A list of all bilateral agreements concluded by Romania can be found on Romania's Foreign Affairs Ministry's dedicated website⁷².

⁶⁶ http://reports.weforum.org/pdf/gci-2016-2017/WEF_GCI_2016_2017_Profile_ROU.pdf

⁶⁷ <https://www.tmf-group.com/en/news-insights/publications/2018/financial-complexity-index/>

⁶⁸ www.doingbusiness.org/data/exploreeconomies/romania

⁶⁹ https://static.anaf.ro/static/10/Anaf/AsistentaContribuabili_r/Conventii/Conventii.htm

⁷⁰ https://www.mae.ro/sites/default/files/tratate/descarcare.php?doc=924_164.%20agreement

⁷¹ https://www.mae.ro/sites/default/files/tratate/descarcare.php?doc=925_180.%20additional%20protocol

⁷² <https://www.mae.ro/tratate-bilaterale>

11.4.6 Currency exchange controls

There are no currency exchange restrictions in Romania.

11.4.7 Sanctions for third countries

Currently, Romania imposes sanctions in line with EU, OSCE or UN Security Council sanctions against the following countries:

- **Afghanistan** – sanctions against the Taliban regime, in line with UN and EU sanctions.
- **Armenia** – sanctions in line with OSCE sanctions, covering voluntary embargo for weapons and munition deliveries to forces involved in the Nagorno-Karabakh conflict.
- **Azerbaijan** - sanctions in line with OSCE sanctions, covering voluntary embargo for weapons and munition deliveries to forces involved in the Nagorno-Karabakh conflict.
- **Belarus** – sanctions in line with EU sanctions, covering weapons and munitions embargo, travel restriction and freezing of funds and economic resources.
- **Bosnia and Herzegovina** – sanctions in line with EU sanctions, covering entry interdiction, freezing of funds and economic resources until 31 March 2019.
- **Burundi** – sanctions in line with EU sanctions, covering freezing of funds and economic resources owned by legal or natural persons that undermine democracy.
- **Central African Republic** – sanctions in line with EU, OSCE and UN Security Council sanctions covering weapons embargo, travel interdictions, freezes of funds, economic resources and supply of certain services.

- **Egypt** – sanctions in line with EU sanctions, covering freezing of funds and economic resources until 22 March 2019
- **Eritrea** – sanctions in line with EU and UN Security Council sanctions, covering weapons embargo and travel restrictions, as well as freezing of funds and economic resources.
- **China** – sanctions in line with EU sanctions covering a freeze on military co-operation with China and the introduction of a weapons embargo (according to European Council Declaration from Madrid, 27 June 1989).
- **Democratic Republic of Congo** – sanctions in line with EU and UN Security Council sanctions covering a weapons embargo, travel restrictions and freezing of funds and economic resources.
- **Guinea-Bissau** – sanctions in line with EU and UN Security Council restrictions covering travel restrictions and freezing of funds and economic resources.
- **Haiti** – sanctions in line with UN Security Council restriction covering a ban for flights to and from Haiti, travel restrictions, a freeze of funds and economic resources for certain individuals, restrictions on import of certain goods from Haiti and a weapons embargo.
- **Iran** – sanctions in line with EU and UN Security Council sanctions covering a ban on economic transactions with military goods, rocket and rocket technology, nuclear products and technology, travel restrictions for a list of individuals, a freeze of funds and economic resources for a list of individuals, as well as other restrictions.
- **Iraq** – sanctions in line with EU and UN Security Council sanctions covering weapons embargo, travel restrictions for certain individuals, as well as other sanctions.
- **Serbia & Montenegro** – sanctions in line with EU and UN Security Council sanctions against the former Federal Republic of Yugoslavia.

- **North Korea** – sanctions in line with EU and UN Security Council sanctions including export and import restrictions, investment and financial support restrictions, transport restrictions, restrictions for admitting and settling of certain individuals, a freeze of funds and economic resources as well as other restrictive measures.
- **Lebanon** – restrictive measures in relation to UN Security Council and to the 14 February 2005 terrorist bombing in Beirut, covering a weapons embargo, a freeze of funds and economic resources as well as travel restrictions.
- **Libya** – restrictive measures in line with EU sanctions regarding the satisfaction of claims made by certain individuals or bodies, a weapons embargo, a freeze of funds and economic resources, travel and transport restrictions, as well as several other restrictions.
- **Maldives** – restrictions in line with EU sanctions covering a freeze of funds and economic resources as well as travel restrictions for certain individuals
- **Mali** – restrictive measures in line with UN sanctions covering the prohibition to satisfy claims made by certain individuals and bodies and a freeze of funds and economic resources.
- **Myanmar** – sanctions in line with EU sanctions covering a weapons embargo, a freeze of funds and economic resources, restrictions on dual-use exports, travel restrictions for certain individuals, restrictions on telecommunication equipment and several other restrictions.
- **Transnistria Region** – restrictive measures in line with EU sanctions covering travel restrictions for certain individuals.
- **Russia** – restrictive measures in line with EU sanctions in view of Russia's actions destabilising the situation in Ukraine (sectoral restrictive measures).

- **Somalia** – sanctions in line with UN sanctions covering a weapons embargo, a freeze of funds and economic resources, restrictions on the export of certain items, vigilance in relation to the export and import of non-embargoed goods and other restrictions.
- **Sudan** – sanctions in line with UN and EU restriction covering a weapons embargo, a freeze of funds and economic resources as well as travel restrictions for certain individuals.
- **South Sudan** – sanctions in line with UN and EU restriction covering a weapons embargo, a freeze of funds and economic resources as well as travel restrictions for certain individuals.
- **Syria** – sanctions in line with EU and UN restrictive measures against Syria, including a weapons embargo, a freeze of funds and economic resources, foreign investment and financial aid to the Government of Syria restrictions, as well as various other restrictions.
- **USA** – restrictions in line with EU measures protecting against the effects of the extra-territorial application of certain legislation adopted by the US.
- **Tunisia** – sanctions in line with EU restrictions covering a freeze of funds and economic resources as a result of misappropriation of state funds.
- **Ukraine** – restrictions in line with EU sanctions in response to the illegal annexation of Crimea and Sevastopol and to actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, as well as the misappropriation of state funds.
- **Venezuela** – restriction in line with EU sanctions covering a weapons embargo, a freeze of funds and economic resources, restriction of admission of certain individuals, restrictions on equipment used for internal repression, as well as restrictions on telecommunications equipment.

- **Yemen** – restrictions in line with UN sanctions covering arms embargo, a freeze of funds and economic resources, travel restrictions for certain individuals and inspections on all cargo to prevent prohibited items.

- **Zimbabwe** – restrictions in line with EU sanctions covering arms embargo, a freeze of funds and economic resources, travel restrictions for certain individuals, restrictions on equipment used of internal repression. The specifics of the sanctions for each country can be consulted on Romania’s Foreign Affairs Ministry’s dedicated website⁷³. These restrictions can also be consulted on EU’s dedicated website⁷⁴.

⁷³ <https://www.mae.ro/node/1549>

⁷⁴ <https://www.sanctionsmap.eu/#/main>

12. Useful Contacts

➤ **Chinese Embassy in Romania**

Address: SoseauaNordului 2, Bucharest 014103

Tel: +40 21 232 88 58 (non-visa issues)

Fax: +40 21 233 06 84

E-mail: chinaemb_ro@mfa.gov.cn

Website: www.chinaembassy.org.ro

➤ **Chinese Embassy in Romania – Consular Department**

Tel: +40 21 233 41 88 (visa issues)

Fax: +40 21 23 41 89

E-mail: consultate_rom@mfa.gov.cn

➤ **Romanian Environment Agency**

Address: SplaiulIndependentei, no 294, Corp B, Sector 6, Bucharest, 060031

Tel: +40 21 207 11 01 or +40 21 207 11 02

Fax: +40 21 207 11 03

E-mail: office@anpm.ro

Website: www.anpm.ro

➤ **Ministry of Environment**

Address: Bvd. Libertatii no 12, Sector 5, Bucharest

Tel: +40 21 408 96 42 (Registry) or +40 21 408 95 00 (Public Relations)

Fax: +40 21 408 96 15 (Registry)

E-mail: srp@mmediu.ro

Website: www.mmediu.ro

➤ **Ministry of Economy – Industrial Policies and Competitiveness Department**

Address: CaleaVictoriei no 152, sector 1, Bucharest, 010096

Tel: +40 21 202 51 49

Fax: +40 21 202 51 91

E-mail: politici_industriale@economie.gov.ro

Website: www.economie.gov.ro

➤ **Ministry of Energy**

Address: Splaiul Independentei no 202E, sector 6, Bucharest, 060023

Tel: +40 21 407 99 21 (Public Relations)

E-mail: comunicare@energie.gov.ro

Website: www.energie.gov.ro

➤ **Ministry of Public Finance**

Address: Bdul. Libertatii no 16, sector 5, Bucharest, 050706

Tel: +40 21 226 10 00 or +40 318 87 59 (Registry)

Fax: +40 21 312 25 09 (Registry)

Website: www.mfinante.ro

➤ **National Agency for Tax Administration**

Address: Str. Apolodor no 17, Sector 5, Bucharest, 050741

Tel: +40 21 319 97 50 (Public Relations)

Website: www.anaf.ro

➤ **Ministry of Health**

Address: Strada Cristian Popisteanu, no 1-3, sector 1, Bucharest, 010024

Tel: +40 21 307 25 00 or +40 21 307 26 00

Website: www.ms.ro

➤ **Ministry of Labour**

Address: Str. Dem.I.Dobrescu no 2-4, sector 1, Bucharest, 010026

Tel: +40 21 315 85 56

E-mail: relatiicupublicul@mmuncii.gov.ro (Public Relations)

Website: www.mmuncii.gov.ro

➤ **Ministry of European Funds**

Address: Bd. Ion Mihalache no 15 – 17, sector 1, Bucharest

Tel: +40 372 838 743 or +40 372 838 857

E-mail: contact.minister@fonduri-ue.ro

Website: www.fonduri-ue.ro

- **National Bank of Romania**
Address: Str. Lipscani no 25, sector 3, Bucharest, 030031
Tel: +40 21 313 04 10 or +40 21 315 27 50
E-mail: info@bnro.ro
Website: www.bnro.ro

- **Romanian - Chinese Chamber of Commerce and Industry**
Address: Bdul Octavian Goga nr. 2, sector 3, Bucharest
Tel: +40 31 426 06 30
Fax: +40 31 426 06 30
E-mail: contact@ccroch.ro
Website: www.ccroch.ro

- **Romanian – Chinese Bilateral Chamber of Commerce**
Address: Str. Johannes Kepler no 35, sector 2, Bucharest
Tel: +40 21 212 06 08
Fax: +40 21 212 06 81
E-mail: ccbrc@rdsmail.ro or ioan.alexandru@ccbrc.ro (President) or rasvan.dumitrescu@ccbrc.ro (General Secretary) or Adrian.celea@ccbrc.ro (Public Relations)

- **Romanian Chamber of Commerce in Hong Kong**
Address: 10B Nam Pak Hong Building, 24, Bonham Strand West, Sheung Wan, Hong Kong
E-mail: info@rochamhk.com
Website: www.rochamhk.com

- **Romanian Customs Administration**
Address: Str. Alexandru Ivasiuc, no 34 – 40, bl. 5, sector 6, Bucharest, 60305
Tel: +40 21 315 58 58 or + 40 21 315 58 59
Fax: +40 21 313 82 51
E-mail: relatiipublice@customs.ro or vama@customs.ro
Website: www.customs.ro

➤ **Romanian Embassy in China**

Address: Ri Tan Lu, Dong ErJie, no 2, 100600, Beijing

Tel: +86 10 6532 3442 or +86 10 6532 3315

Fax: +86 10 6532 5728

E-mail: beijing.economic1@mae.ro (Economic and Commercial Bureau)
or beijing@mae.ro

➤ **Romanian Consulate Hong Kong**

Address: 03A Office, 21/F, 148 Electric Road, North Point, Hong Kong

Tel: +852 2523 3813 (non-visa issues)

Fax: +852 2523 3815

E-mail: hongkong@mae.ro

Website: www.hongkong.mae.ro

➤ **Romanian Institute for Statistics**

Address: BdulLibertatii no 16, sector 5, Bucharest

Tel: +40 21 318 18 24 or +40 21 318 18 42

Fax: +40 21 312 48 75 or +40 21 318 18 51 or +40 21 318 18 73

E-mail: romstat@insse.ro

Website: www.insse.ro

13. Web Resources

- **National Public Tender System** <https://sicap-prod.e-licitatie.ro/pub>
- **State aid incentives catalogue** www.ajutordestat.ro/?pag=166
- **National Trade Register Office** <https://www.onrc.ro/index.php/ro/>
- **EU Sanctions Map** <https://www.sanctionsmap.eu/#/main>