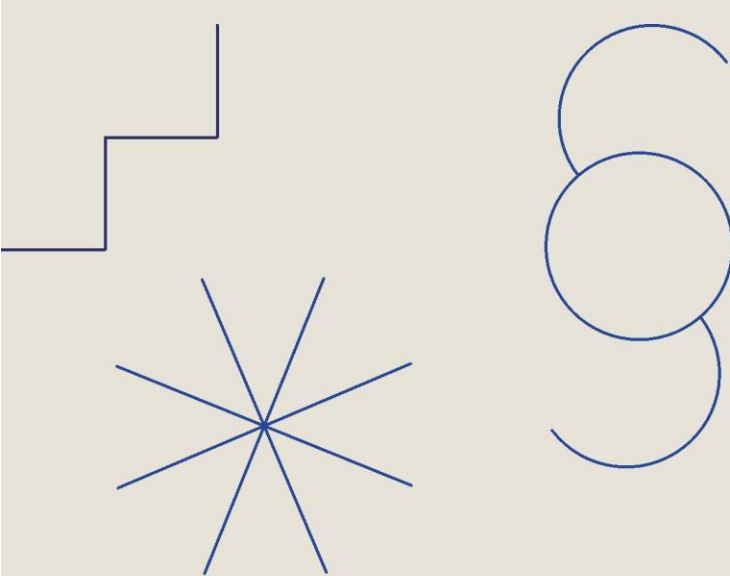
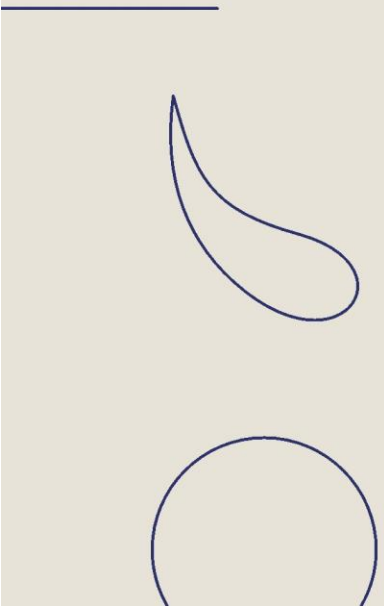




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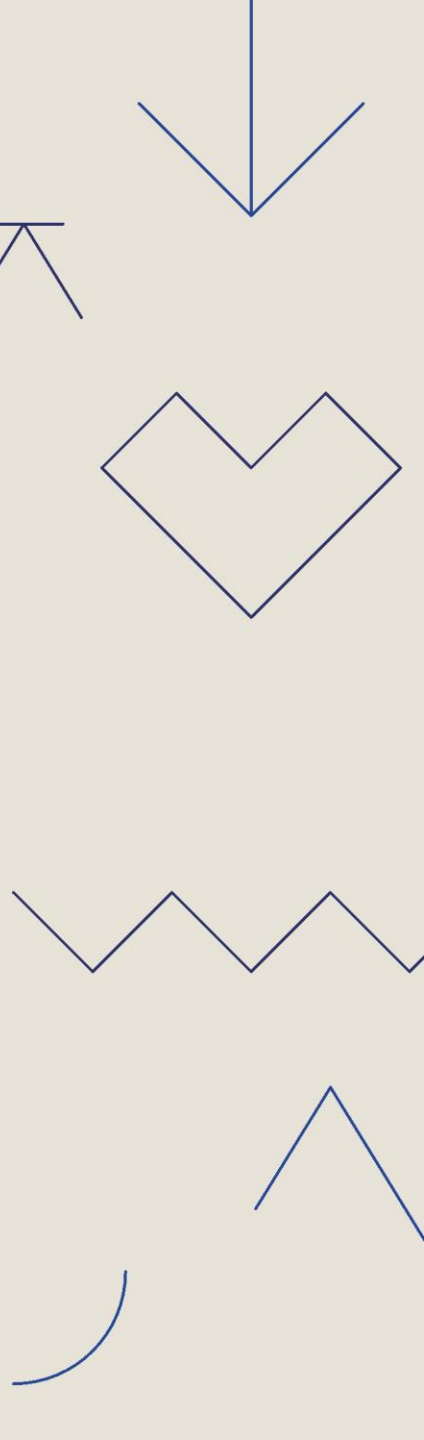
DOING BUSINESS IN ROMANIA

Date: 17.09.2025

For: Czech Trade in Romania

Presenting: Ioana Sebestin-Nazaru

Author: Ioana Sebestin-Nazaru



Corporate Essentials - LLCs

- Minimum registered capital – RON 1 (approx. € 0.20); Starting with 01.01.2026, the minimum share capital will be expected to be RON 8,000 (approx. EUR 1,600)
- *Mandatory corporate bodies*

General Meeting –
Natural person/
legal entity

Director(s) –
Natural person
(s)/ legal entity

- *Limitations*
 - *The number of shareholders cannot exceed 50.*
 - *Directors can be both foreign or Romanian appointed for a determined mandate (no unlimited duration of the mandate is possible).*
- *Transfer of shares to 3-d Parties*
 - *Must be approved by the sole shareholder or, in case of multiple shareholders, by at least three-quarters of the share capital.*
 - *As a general rule, the transfer agreement should be in written form, no others formalities required. (e.g., for LLC that have included in their share capital real estate, documents should be signed in front of the notary, etc.)*
 - *The transfer of shares must be published in the Trade Registry in order to be enforceable against third parties.*

Corporate Essentials – Joint stock company

- Minimum registered capital – RON 90.000 (approx. EUR 18.000) - cash share contribution is mandatory although minimum set forth; *at least 30% of the share capital to be paid up upon incorporation*
- Minimum 2 (Two) shareholders
- Mandatory corporate bodies

General Meeting
– Natural person/
legal entity

Director(s) –
Natural person
(s)/ legal entity

- Transfer of shares
 - ❖ Adopted by a majority of at least two-thirds of the voting rights of the attending or represented shareholders. The constitutive act may stipulate a higher quorum or majority rules.
 - ❖ The transfer agreement should be in written form, no other formalities are required.

Corporate Essentials – Other forms of Romanian companies without legal personality

BRANCH	REPRESENTATIVE OFFICE
<i>No legal personality and no own patrimony; Fiscal personality and accounting autonomy No minimum “endowment capital”</i>	<i>No legal personality and no own patrimony; it acts in the name and on behalf of the mother company. Functioning yearly tax: RON 18,000</i>
<i>Unlimited liability of the mother company for the debts of the branch Same purpose of business as the mother company’s</i>	<i>Unlimited liability of the mother company Only activities covered by the purpose of business of the mother company, specifically:</i> <i>• issue/receive offers and orders;</i> <i>• negotiate, but not conclude, without special mandate from the mother company, contracts on behalf of the mother company;</i> <i>• undertake marketing and advertisement activities;</i> <i>• carry out any other ancillary or preparatory activities, to promote and/or support the business of the mother company</i>
<i>Management carried out by the head of the branch, acting on the basis of a power of attorney granted by the mother company</i>	<i>Management carried out by the head of the representative office, acting on the basis of a power of attorney granted by the mother company</i>
<i>Financing by the mother company</i>	<i>Financing by the mother company</i>

Tax and Social Security

A. Corporate and income tax

- *The standard corporate profit tax rate - 16%;*
- *Income tax – 10%;*

B. VAT rate - 21%

- *May vary depending on the industry*
 - ❖ *Reduced VAT rate of 11% applying to food & beverage industry (beverages with a high sugar content and other sweeteners or flavours are excluded from the reduced rate) & accommodation, HORECA (without alcohol except beer), , medical treatments, schoolbooks, newspapers, magazines etc. ;*

C. Social Security payments

- *Split between employer and employee*
- *Employee contributions:*
 - ❖ *Social insurance contribution: 25%.*
 - ❖ *Health insurance contribution: 10%.*
- *Employer contributions:*
 - Labor insurance contribution: 2.25%.*

Contracts – Formal v. Informal

- *Conditions for the validity of a contract : A. ability to contract; B. the consent of the contracting parties; C. a determined and lawful object; D. a lawful and moral clause; E. the form of the contract, when the law provides for a certain form.*
- *Form of the contract: (i) private deeds - which bears the signature of the parties, irrespective of its material support without any notarization or other formalities and (ii) authentic documents – concluded before a public authority, notary public or other person empowered by the State with public authority, in the form and under the conditions prescribed by law. Authentic agreements are required under the law for specific legal operations (e.g., real estate purchase agreement).*
- *Usually, the parties of the agreements are the signatories. However, the parties can also mandate others persons as having representative powers for signing.*
- *Electronic signature is permitted and three types of electronic signatures are recognized, each offering various levels of security and legal effects: simple, advanced and qualified electronic signature.*
- *The choice of the law applicable to the document must be express or unambiguous from its terms. The parties may choose the law applicable to the whole or only part of the document.*

Contracts – Distribution agreement vs agency agreement

SIMILARITIES	
DISTRIBUTION AGREEMENT	AGENCY AGREEMENT
✓ <i>Both contracts involve the sale of products.</i>	

DIFFERENCES	
DISTRIBUTION AGREEMENT	AGENCY AGREEMENT
REMUNERATION	
<i>Remuneration is obtained from the price at which the distributor sells the goods to the customers.</i>	<i>Remuneration may be expressed as a fixed or variable amount, by reference to the number of contracts, or to their value.</i>

LIMITATIONS	
<i>The distributor effectively becomes the supplier and contracts are made directly between the distributor and the customer.</i>	<i>An agent is appointed to negotiate or conclude contracts on the supplier's behalf.</i>

Contracts – Distribution agreement vs agency agreement

DIFFERENCES	
LIMITATIONS -	
<i>The supplier will not need to establish and monitor accounts with various customers, but only with the distributor.</i>	<i>There will be direct contact between a supplier and customer for after sales services.</i>
<i>The distributor retains control of the terms of sale of the product, particularly price, and marketing methods.</i>	<i>The supplier can retain control of the terms of sale of the product, particularly price, and marketing methods.</i>
<i>A supplier will not usually suffer any liability incurred as a result of the distributor's activities.</i> <i>In the case of exclusive distribution, only one distributor may be authorized to sell in a region specified in the distribution agreement.</i> <i>In the case of non-exclusive distribution, in a specific region, not only one distributor may be authorized.</i>	<i>Under an agency relationship, the supplier is liable for the acts of its agent.</i> <i>As a general rule, the agent may represent several principals, and the principal may conclude several agency agreements with several different agents in the same region and for the same type of contracts.</i> <i>However, the agent may represent several competitors of the principals, for the same region and for the same type of contracts, only if expressly stipulated within the agency agreement.</i>

Global terms and conditions – B2C

- ❖ *B2C general terms and conditions should follow the applicable Romanian consumer protection legislation in addition to the general rules applicable to contracts (as mentioned above).*
- ❖ *Before a contract or any similar offer, is binding on the consumer, the trader must inform the consumer by providing information in a prominent, legible and comprehensible format.*
- ❖ *The time of the conclusion of the distance contract shall be the time of the trader's confirmation, on a durable medium, of the acceptance of the order by the consumer.*
- ❖ *Usually, the consumer shall have a period of 14 days to withdraw from a distance or off-premises contract, without having to justify his decision to withdraw and without incurring any additional costs.*
- ❖ *A contract term which has not been directly negotiated with the consumer will be considered unfair if, by itself or in conjunction with other provisions in the contract, it creates, to the detriment of the consumer and contrary to the requirements of good faith, a significant imbalance between the rights and obligations of the parties.*
- ❖ *The unfair terms contained in the contract and found either in person or through the bodies empowered by law will have no effect on the consumer, and the contract will continue to run, with the consumer's consent, only if after their removal they can continue. To the extent that the contract can no longer produce its effects after the unfair terms have been removed, the consumer is entitled to have the contract rescinded and, where appropriate, may claim damages.*
- ❖ *The burden of proof as regards the fulfillment of the information requirements falls on the trader.*

Global terms and conditions – B2B

- ❖ For Business-to-business (B2B), transactions general rules about contracts shall apply (as mentioned above).
- ❖ In addition, as the GTC represent a part of the contract, it should be included in such contract (e.g., either the form of a negotiated contract, in the format of an order form, online form, etc.) the reference to the applicability of the GTC Limitations:
 - In relations between professionals, it is recommended that the payment period does not exceed 60 calendar days.
 - The parties may agree to make the payment in instalments, in which case the penalty interest and other indemnifications shall be calculated by reference to the due amount.

DOCUMENTARY REQUIREMENTS

A. Official documents

- Issued by authorities within their competence - In Romanian language only.
- Notarized documents
- Bilateral agreement RO-CZ – no apostille needed
- Official translation

B. Private documents

- No formal requirements, unless provided in court
- General PoAs
- PoAs for attorneys
- Drafted/signed in Romanian language

Obstacles to market entry

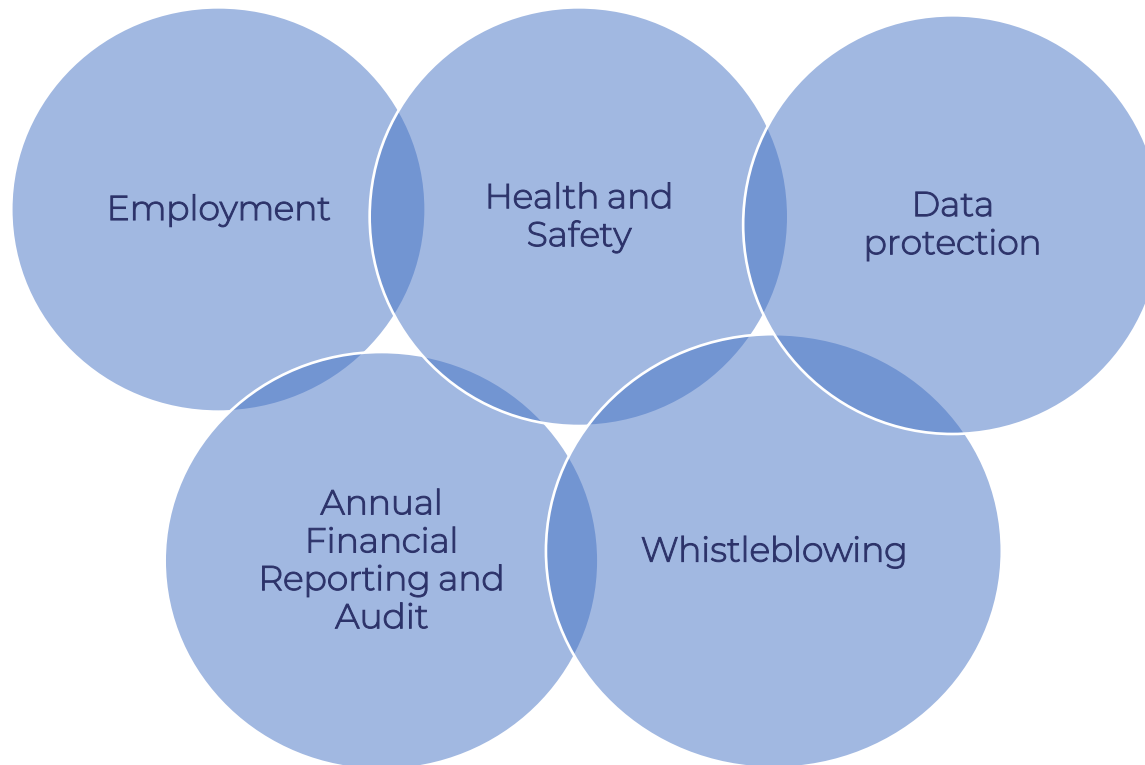
FDI screening/clearance

- ❖ Any entities that intend to make an EU/foreign investment in Romania, meeting the criteria indicated FDI legislation must submit application for clearance to the Commission for Foreign Direct Investment Screening.
- ❖ The sectors of the economy in which EU and foreign investments are subject to Screening include: security of Romanian citizens and the community, security of borders, energy sector, transport sector, supply systems with vital resources, critical infrastructure, information systems and communications systems; financial, fiscal, banking and insurance activity; production and circulation of weapons, ammunitions, explosives and toxic substances; industrial security; protection against disasters; protection of agriculture and the environment; and protection of operations for the privatization of state-owned enterprises or their related management.

Merger-control approval

Before entering the Romanian market, it should be analysed whether the approval of the Romanian Competition Council is needed.

Main areas of compliance



Good and Bad practices



GOOD PRACTICES

- **Studying the Romanian market** - It is important for the client to obtain as much information about the Romanian market and target sectors it envisages to enter and try to identify market needs and potential business partners.
- **Compliance related aspects** - It is advisable that clients seek for and follow professional advice before entering the Romanian market so that it has a full picture of the compliance and legislative constraints affecting the targeted sector, as well as relevant risks.
- **Information about the duration of the operations** - It is important for the client to obtain information about the time needed to realize the envisaged operations. In addition to this, eventually identify situations that may extend the initial deadlines and estimated timeframes.
- **Performing Due Diligence** - While building trust is important, it is equally essential to perform thorough due diligence on potential partners. The business environment can be competitive, and ensuring that your partnerships are legally and financially sound is critical.



BAD PRACTICES

Not following the above-mentioned good practices.

The background of the entire page is decorated with various abstract geometric line art elements. These include circles, arcs, triangles, zig-zags, and other simple shapes drawn with thin blue lines. Some shapes are complete, while others are partial, creating a sense of movement and design. The overall style is minimalist and modern.

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