



## Tax & Legal Newsletter October 2018

### **It's official: bearer shares are to be outlawed!**

On 24 October 2018, the Romanian Chamber of Deputies adopted the Draft Law for the prevention and combating of money laundering and terrorism financing.

All bearer shares issued before the new law comes into effect are to be replaced with registered shares, with the updated Articles of Association to be submitted to the Trade Registry.

Holders of bearer shares in any capacity must hand in these shares at the headquarters of the issuing company within 18 months of the law coming into force.

Any bearer shares not surrendered to the issuing company will automatically become void on the date of expiry of the aforementioned deadline, with the share capital of the company decreasing accordingly.

In the event that a joint stock or limited liability joint stock company fails to convert their bearer shares into registered shares within the established deadline, the company in question will be dissolved.

Source: *Draft Law on the prevention and combating of money laundering and terrorism financing and the amendment and completion of various legislative acts, adopted by the Romanian Parliament on 24 October 2018 and still to be published in the Official Gazette of Romania.*

### **Update to franchise legislation**

Further to the Regulation of 1997, the Romanian Government is considering amending the legal framework regarding franchising.

A new Draft Law envisages the establishment of a National Franchise Register for the purpose of harmonising the information procedures of potential franchisees by franchisors through use of a "disclosure document".

The proposed amendments aim to balance the relationship between the franchisee and franchisor, as well as to make the domestic franchise market more transparent.

Moreover, in addition to the positive impact of the aforementioned amendments on a macroeconomic level, franchise operating entities are also to benefit from non-refundable financing under the Start-Up Nation 2018 programme.

Source: *Draft Law to amend and supplement Government Ordinance no. 52/1997 on the system of franchising, including further amendments and additions, as well as to amend art. 17, point 15, of Law no. 227/2015 on the Fiscal Code, still to be published in the Official Gazette of Romania.*



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### VAT reduced to 5% for hotel and restaurant services

As of 1 November 2018, the amount of VAT the government collects has been reduced to 5% for the following services:

- Hotel accommodation
- Rental of camping pitches
- Restaurant and catering services
- Use of certain sports facilities.

### Income tax incentives for individuals – supplementary provisions

As of 9 October 2018, supplementary provisions will come into force with respect to the income tax incentives available to individuals asked to submit tax returns for non-salary income for the year 2018. The provisions refer to:

- a) The awarding of an incentive for the electronic submission of tax returns on non-salary income by 15.07.2018, amounting to 5% of the amount of income tax paid in full by 15.03.2019
- b) The awarding of a 5% incentive on advance payments of income tax made by 15.12.2018.

*Source: Emergency Ordinance no. 89/2018 regarding certain fiscal-budgetary measures and amending and supplementing certain normative acts, published in the Romanian Official Gazette, Part I, no. 854, on 09.10.2018.*

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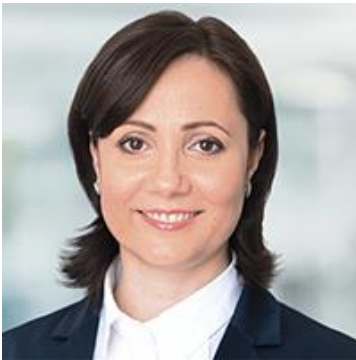
Kind regards  
Your TPA Team



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### Contact:

TPA Romania  
Str. Grigore Cobălcescu 46, 010196 Bucharest  
Tel.: +40 21 310 06-69  
Fax: +40 21 310 06-68  
<http://www.tpa-group.ro>  
<http://www.tpa-group.com>



**Claudia Stanciu Stănciulescu**  
Tax Advisor, Partner

email: [claudia.stanciu@tpa-group.ro](mailto:claudia.stanciu@tpa-group.ro)

[www.tpa-group.ro](http://www.tpa-group.ro)  
[www.tpa-group.com](http://www.tpa-group.com)



**Cristina Gheorghită**  
Legal Partner

email: [cristina.gheorghita@tpa-group.ro](mailto:cristina.gheorghita@tpa-group.ro)

[www.tpa-group.ro](http://www.tpa-group.ro)  
[www.tpa-group.com](http://www.tpa-group.com)

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