



## **Simplified procedure for share transfers and limited company incorporation. Extension of submission deadline for the declaration of real beneficiaries**

### **A. Simplified procedure for share transfers and limited company incorporation**

Law no. 223/2020 on the simplification and debureaucratisation of the transfer of shares and the payment of share capital ("**Law no. 223/2020**") amends Law no. 31/1990 (Companies Law) and introduces some important changes for the Romanian business environment, including the simplification of share transfers and the procedure for setting up limited liability companies ("**SRL**").

The main changes are as follows:

#### **1. Elimination of the minimum share capital requirement of RON 200 when incorporating a limited liability company**

From now on, a limited liability company can be legally established regardless of the value of its share capital, which can have any value established by the company's shareholders.

Moreover, it is expressly provided that in the case of limited liability companies it is no longer necessary to provide proof of payment of the share capital when registering a company with the Trade Register.

#### **2. Simplification of share transfers**

The shareholders of a limited liability company may define in the company's articles of association their own rules as to the conditions under which share transfers to third parties may take place.

For example, they may decide that each shareholder be able to freely dispose of his/her shares independently of the will of the other shareholders, or that the transfer of shares to third parties occur based on a majority representing less than three quarters of the share capital, as has been the case until now.

In addition, the legal provisions establishing the obligation to publish within 15 days in the Official Gazette decisions regarding the transfer of shares as well as the ability of third parties to file objections to a transfer of shares have been repealed.

#### **3. Amendments regarding opposition from company creditors**

Law no. 223/2020 also eliminates the ability of a company's creditors, or any other persons prejudiced by shareholder decisions to amend the company's articles of association, to request the annulment of the enforcement order for contested judgments, with their now only being able to request from the court the repair of the prejudice caused by the company or shareholders.

#### **4. Other changes**

The obligation to file with the ANAF (National Agency for Fiscal Administration) a document attesting right of use over a space intended to function as a company's registered office before requesting registration of the company or a change to its registered office has been eliminated. Under the new legal provisions, the Trade Register will submit the document attesting right of use to the ANAF ex officio.

Finally, the legal provision regarding the obligation to register with the Trade Register the act of a transmission of shares as well as updated articles of association containing the identification data of the new shareholders has been repealed.

*Source: Law no. 223/2020 on the simplification and debureaucratisation of the transfer of shares and the payment of share capital, published in the Official Gazette no. 1018 of November 2, 2020.*



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### B. Extension of submission deadline for the declaration of real beneficiaries

Government Emergency Ordinance no. 191/2020, which entered into force on 30 October 2020, clarifies various aspects of the submissions procedure for the declaration of real beneficiaries and extends the submission deadline, as follows:

- the deadline for submissions of the declaration of real beneficiaries is a maximum 90 days from the end of the state of alert declared in accordance with the law to prevent and combat the effects of the Covid-19 pandemic;
- declarations of real beneficiaries can be a physical document under private signature or be in electronic form, and may be submitted to the Trade Register office by electronic means, signed electronically, or by postal or courier service;
- declarations may also be completed in the presence of a representative of the Trade Register or submitted, in person or via a representative, with their date being either attested by a notary public or certified by a lawyer.

Currently, this declaration must be submitted by companies upon their registration with the Trade Register, or again in the event of any subsequent changes to their real beneficiaries within 15 days of the occurrence of said changes. The declaration of real beneficiaries is not obligatory during the registration of companies incorporated solely by associates/shareholders who are natural persons, where they are the only beneficiaries.

*Source: GEO no. 191/2020 on the extension of deadlines for the submission of various documents required of associations and foundations, as well as of legal persons registered with the Trade Register, as published in the Official Gazette no. 1013 of 30 October 2020.*

This newsletter is a service of TPA.

Kind regards

**Your TPA Team**



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