

Legal Newsletter February 2024

<u>Law no. 7/2024 approving Government Emergency Ordinance no. 39/2018 on public-private partnership</u>

Law no. 7/2024, which approves Government Ordinance no. 39/2018 on public-private partnerships and introduces a number of amendments aimed at improving the legal framework, was published in the Official Gazette, Part I, on 8 January 2024.

Among other things, the new law amends the approval process for the project substantiation study, allows for the granting of a concession or lease in favour of the project company without royalties or rents, and amends the procedure for setting up a project company.

The most important changes introduced are as follows:

- 1. The funds required to implement a public-private partnership are provided for in the study and approved in one of the below ways:
 - a. by means of a Government Decision, in the case of central government projects
 - b. by means of a decision of the deliberative authority to approve the substantiation study, in the case of local government projects, where the amounts provided come exclusively from local government budgetary resources
 - c. by means of a Government decision, adopted on the basis of a decision of the deliberative authority to approve the substantiation study, in the case of local government projects requiring contributions from the state budget
- 2. The project company is set up in one of the following ways: in the case of contractual public-private partnerships, the private investor designated as winner of the awards procedure sets up the project company with which the public-private partnership contract is to be concluded; or, in the case of institutional public-private partnerships, the private investor sets up together with the public partner the project company which will become part of the public-private partnership contract
- 3. The financial funding limit of 25% on the public partner's financial contribution, which was part of the previous regulation, has been removed
- 4. The financing of investments to be carried out under public-private partnership contracts can also be provided by means of an issue of corporate bonds by the project company for the purposes of implementing the public-private partnership project
- 5. A clause has been introduced that provides for derogation from the rules governing the award of public procurement contracts/framework agreements (Law no. 96/2016), such that the award begins with the submission of the tender documentation and is completed with the signing of the report of the awards procedure, with the appendices thereto and the conclusion of the public-private partnership contract being carried out as per Government Emergency Ordinance no. 39/2018
- 6. The exploitation of public property by the project company shall be carried out free of charge or rent.
- 7. Where contracts provide for dispute settlement procedures by international arbitration tribunals, representation shall be provided by the legal entities managing the state's shareholdings in the project companies implementing those public-private partnership contracts. The aforementioned legal entities are authorised to initiate and participate in international arbitration proceedings and before national courts in these jurisdictions and may also select lawyers, domestic or international, when legal advice, assistance and/or representation cannot be provided by the legal staff employed by these entities.



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Source: Law no. 7/2024 approving Government Emergency Ordinance no. 39/2018 on public-private partnerships

Quota of new foreign workers on the labour market in 2024

Decision no. 1338/2023 establishing the quota of new foreign workers on the labour market in 2024 has been adopted, with the result that 100,000 additional foreign workers will be allowed to work in Romania.

New foreign workers need to obtain an employment or secondment permit to be employed. These permits are issued by the Ministry of Internal Affairs in accordance with the provisions of Government Ordinance no. 25/2014 on the employment and posting of foreign workers in Romania.

Source: Decision no. 1338/2023 establishing the quota of new foreign workers on the labour market in 2024

<u>Formalisation of the rules for the registration of trades unions and employers'</u> organisations

Joint Order no. 58/281/C/2024 of the Minister of Labour and Social Solidarity and the Minister of Justice, laying down the rules for the registration of trades unions and employers' organisations, was published in the Official Gazette on 5 February 2024.

The key aspects of the order are as follows:

- All trades unions, trade union federations, trade union confederations and their territorial unions, as well as employers, employers' federations and employers' confederations must be included on special registers designed to record relevant data about such organisations, from their acquisition of legal personality to changes in their statutes or the composition of their governing bodies.
- Any changes to the statute, the composition of the governing bodies or the representativeness of said organisations must be recorded in the special register.
- Every court and tribunal will keep its own special register for trades unions and employers'
 organisations, which will be divided into sections, each with a specific role in terms of recording various
 information relating to these organisations.
- Within seven days of a final judgment granting legal personality, this information must be entered into the special register by the designated registrar under the supervision of a judge.
- the Ministry of Labour has free access to the data contained within the special registers.

Source: Order no. 58/281/C/2024 approving the model and procedure for completing and operating the special registers of trades unions and employers' organisations.

This newsletter is a service of TPA Romania.

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