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40  
Years

by your side

# Romania: One of Europe's best kept secrets until recently. Or is it still?

**Presented by:** Oana Dinulescu- Country Manager, Eurofast Romania

**Guest Speaker:** Adrian Iordache – Principal Solicitor, Consortium Legal

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## Let's introduce ourselves...

### Taking Care of Your Business for Over 40 Years

2018 marked the 40th anniversary of Eurofast Ltd.

Eurofast started off as a small accounting agency working with local businesses in Cyprus and 40 years later counts 22 offices and over 200 employees in South East Europe & Middle East.

40 years of history, working with many global brands and leading Institutions, operating in the manufacturing, retail, airlines and professional services sector. Our clients are the vivid evidence that Eurofast is your trusted business advisor in EMEA.





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## Our Vision

To be the Number 1 reference point for businessmen seeking reliable advice in terms of:

- Tax & Legal
- Transfer Pricing & International tax
- Payroll & Employment solutions
- Advisory & Compliance

A dream team of forward thinking, qualified, outstanding local professionals, who are always reliable, exclusive, personal & innovative.

We are a regional boutique advisory organisation aiming to be the preferred choice of thousands of Organizations!

We simply want our clients to stand out and proudly say:

**“WE WORK WITH EUROFAST IN THIS PART OF THE WORLD!”**





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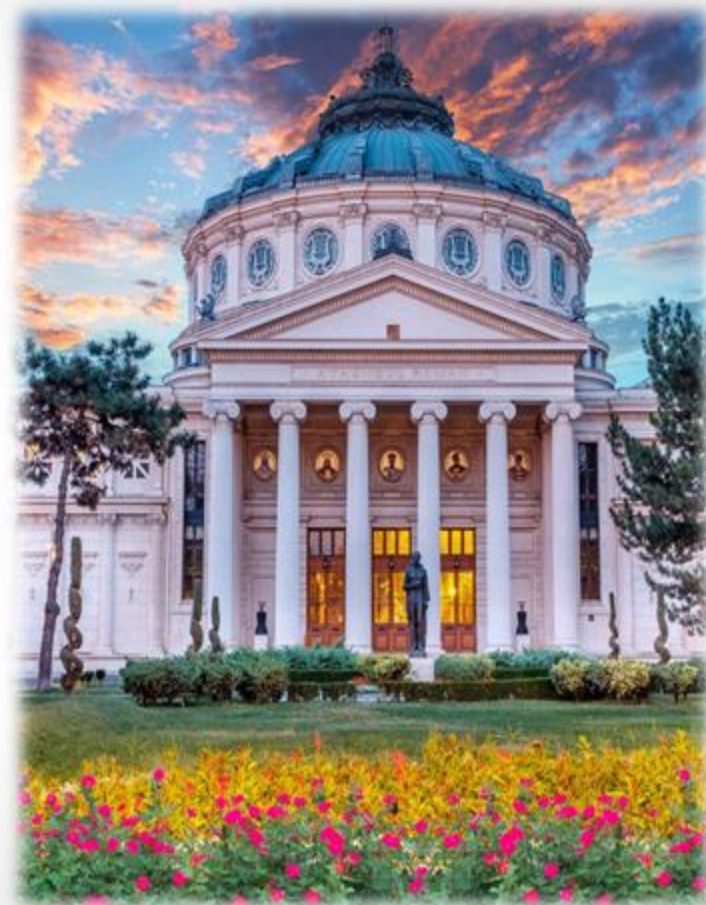
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## AGENDA

- Romania-general info
- Taxation Overview
- Micro companies- smart tax planning
- Why invest in Romania
- How can Eurofast can assist
- Legal Environment: companies, property, disputes
- Strategic Alliances with Consortium Legal







## • Romania-general info

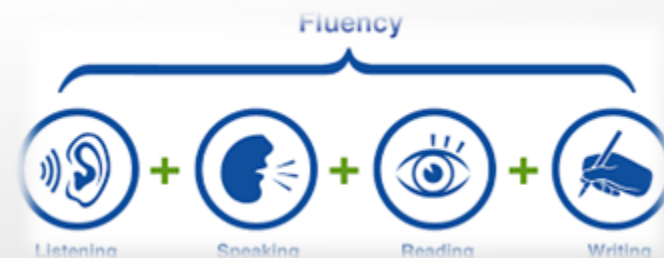
- Romania exhibits a very beautiful and diverse scenery
- Total area 238.397 sqkm, largest country in SE Europe
- One of the fastest economies in the SE Europe
- Member of NATO since 29 March 2004
- IT HUB in Europe
- Diversified economy
- Strategic geographic location



Since 1<sup>st</sup> January 2007

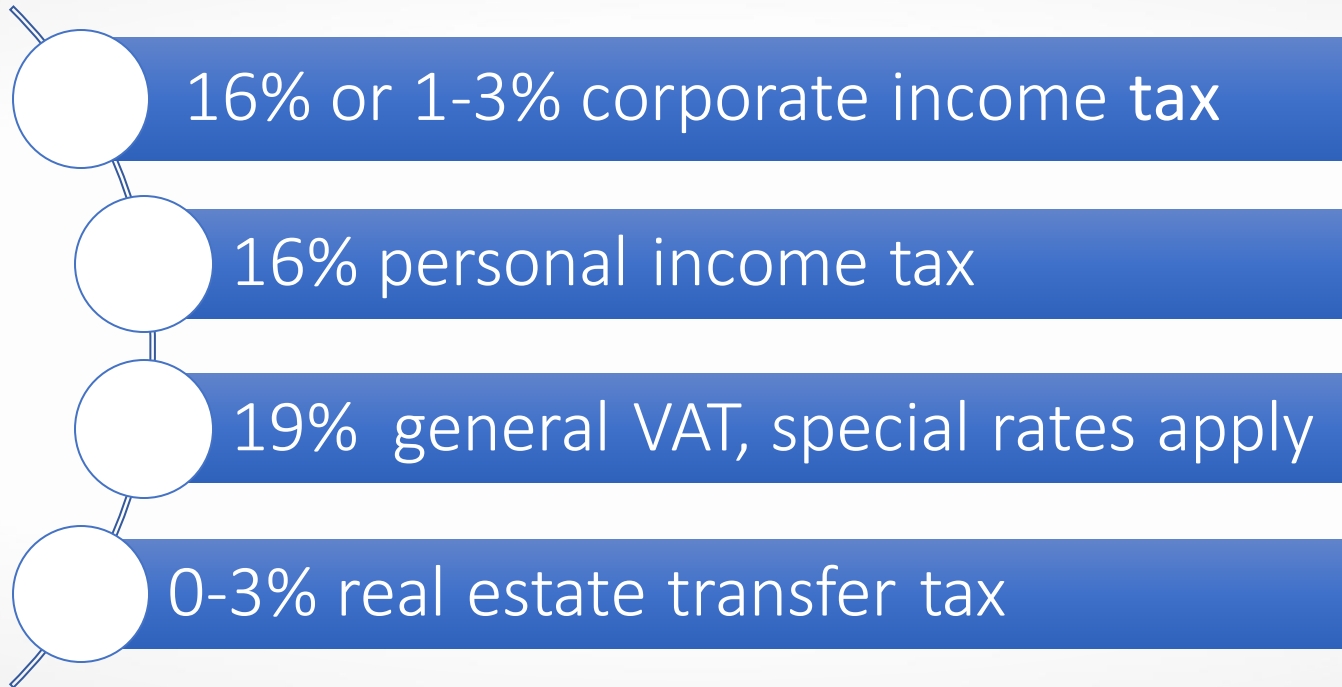
Advanced candidate-  
2024

Romanian (RO)





- # Taxation Overview





## • Micro companies- smart tax planning

- The tax incentives and extensive Double Tax Treaties (DTT) Romania has secured with other countries.
- The low corporate tax rate of 16%, which is one of the lowest in the E.U.
- **Micro companies – special tax regime** - (companies with turnover less than 1 mil) are benefiting from a very favourable tax regime, 3% tax on total turnover if the company has no employees, 1% tax for a company with employees (at least 1).
- The ability to pull profits from the subsidiary's country with no or very low withholding tax, provided a DTT is in existence.
- The fact that it can benefit from the application of the provisions of the EU Parent-Subsidiary Directive, the EU Interest and Royalties Directive, and the EU Merger Directive.
- Local tax on dividends is 5%
- Opening of a bank account is an easy process, and then obtaining a card associated with full internet access.





## • Why invest in Romania

### ✓ National bank policy

In 2009, crisis didn't hit either too hard Romania and one of the most important factor at that time was the National Bank of Romania (BNR) and its monetary approach. We have the same management today in the bank and same strong policy, that already proved its strongest at the beginning of Covid-19 lockdown.

### ✓ Tourism

Even if with great potential in tourism, this is not so well developed, having no important contribution to national income, like many other countries in the area, but due to the Covid-19, it is considered that Romanians will spend more time this summer in their own country, no exotic holiday, which will keep money within the internal market.







## • Why invest in Romania



### ✓ Industry

Industry is having a big share for Romanian PIB, 25 % compared with an European average of 17 % and a lot of people are high qualified to work on this, so any new developments in the industry will be well assimilated. There is a great opportunity for a lot of investors that were looking no too long ago to the Asian markets, mainly China.

### ✓ Agriculture

Agriculture can sustain entirely the Romanian food necessity and became a provider for different European markets. Land proper for agriculture is still for sale, with low price compared with the European fees, in big surfaces, investments in farms are allowed and welcomed;



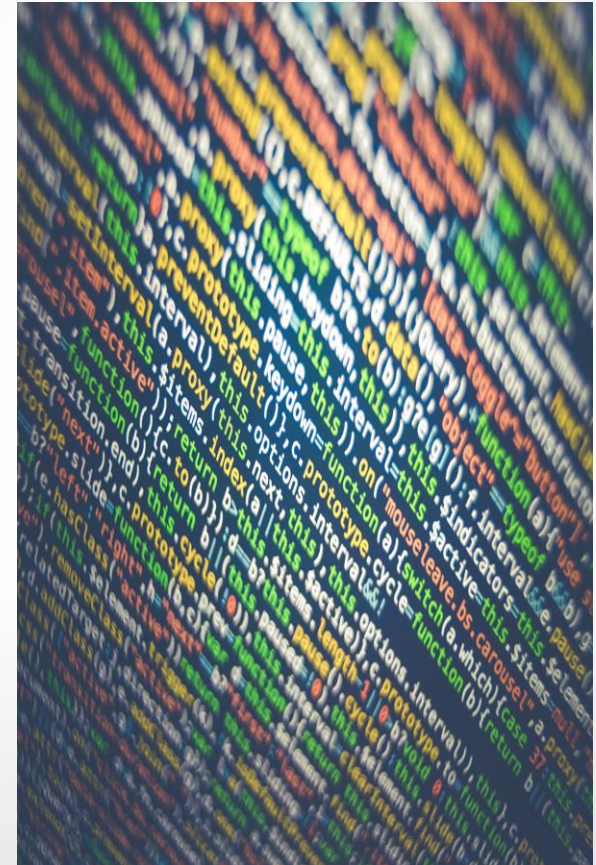
## • Why invest in Romania

### ✓ Natural resources

We can add to this that Romania has a lot of natural resources ( gas, potential for electricity, high volume of water and a big network of micro hydro centrals, coal and different minerals, cooper, gold etc) , that are numerous, are still unexploited to the real potential and can afford any kind of investment. European companies will see soon the opportunity to have this next to their homes.

### ✓ IT HUB

Last, but not the least, the era we are living now it is and will more be the era of internet, IT applications, communication and business from distance, where Romania is on poll position, having a high coverage , high speed and highly trained specialists, that were a target even before, so we can consider this a very valuable resource, but also can be the place from where to operate, like the HQ for Europe.





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# • HOW EUROFAST CAN ASSIST

- ❖ International tax planning
- ❖ Consultancy on tax & legal matters, regarding commercial relationships of your company, including but not limited to Registrar operations, TP services, advisory on M&A
- ❖ PEO services, consulting on labor matters with your employees and possibilities for amendments in the labor environment
- ❖ **Eurofast is a one stop shop** providing all services related to a Romanian company from its incorporation up to HR & accounting solutions.





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## OUR MOTTO

“We deliver exceptional level of customer service!”  
Thank you!

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[bucharest@eurofast.eu](mailto:bucharest@eurofast.eu)



## OUR MISSION

Many corporations say their most important job is to satisfy the customer. We do not! We believe that satisfying the client is simply the minimum requirement for staying in business. **We do not seek merely to satisfy our clients, we seek to delight them.** To delight means creating customer enthusiasm by giving them dramatically more value than they expect whether it is measured by Price, performance, quality or service. We measure delight through repeat work, referrals, market “talk” and timely service.





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[support@consortium.legal](mailto:support@consortium.legal)

In **60** countries through



**Adrian Iordache** FCI Arb, LL.M., LL.B.

Fully licensed in NY, DC, England & Wales (Solicitor), Bucharest

International commercial lawyer based in London and Bucharest being Principal Solicitor of Consortium Legal in London and Managing Partner of the Bucharest law firm Iordache & Partners. Adrian is a Fellow of the Chartered Institute of Arbitrators in London and holds degrees in law and international relations. He is currently a graduate researcher at the Institute of Advanced Legal Studies in London.

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# • Romania Legal Environment: Overview

- Civilian (Continental) Legal System, based on a modern Civil Code (upgraded in 2009)
- Mature and sophisticated commercial legal market with a mix of large traditional local firms, international 'big-law' and growing premium boutique offering.
- Relatively quick incorporation time
- Universal land registry system
- Rich international treaty framework
- Bilateral/Multilateral Investment Treaties
- ECtHR/CJUE Jurisprudence
- DTAs
- New York Convention 1958 (Arbitration Awards)
- Cape Town Convention/Protocol (Aircraft and Engines Security Interests)

# • Romania Legal Environment: Companies



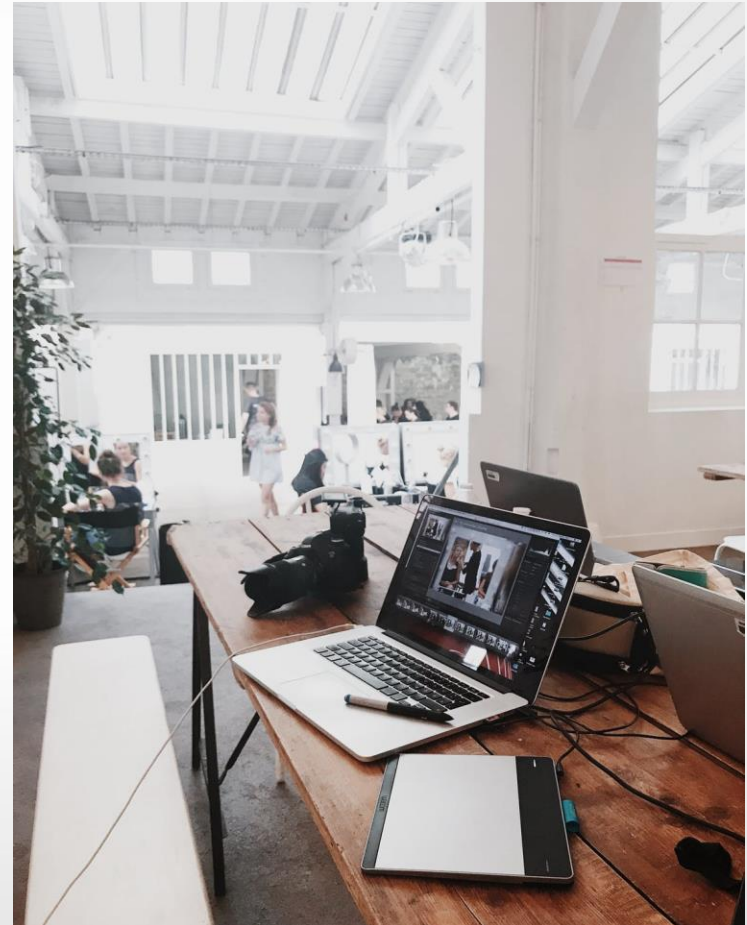
- Companies Law 1990
- Multiple forms of incorporation recognised:
  - SRL (private limited liability companies) (90% of all companies)
    - ✓ Quick and 'lean', default rules for close-knit or personal shareholding
    - ✓ Some formalities for transferring out
    - ✓ Can be made more complex by careful drafting of Articles





# • Romania Legal Environment: Companies

- SA (public limited liability companies)
  - ✓ Various governance structures permitted (unitary, 'dualist')
  - ✓ Easier corporate financing and share transfer rules
  - ✓ More stringent governance (Convening, quorum etc)





# • Romania Legal Environment: Companies



- Traditional Joint Stock Companies (*comandite*) – less used
- Unincorporated Partnerships, cooperatives, sole traders, ‘authorised’ individual traders

Incorporation time: relatively quick – 3-5 days from filing (but mind the preliminary paperwork)

Electronic signature and filing: now it is the norm!



# • Romania Legal Environment: Property

- Land passes by Notarial Deeds
- Relatively inexpensive (avg 1%)
- Land registration system
- Land mortgages: also Notarial Deeds
- No restrictions on ownership for EU entities: but see new legislative bill!
- *Electronic Archive* for Moveable securities (not land or buildings)
- Zoning & Planning: work in progress, but getting better
- Digitalization movement ongoing since COVID-19!
- State aid (guarantees) may be available for first time home buyers





# • Romania Legal Environment: Courts

- 3m rolling stock of cases before Romanian courts
- System of generalist courts (*Judecatorii* and *Tribunale*) with regional Courts of Appeal and a Supreme Court.
- Increasingly professional magistrates corps
- Avg time to decision: cc 1.5-2years (statistical, can be more for complex matters)
- Enforcement of action:
  - Quick summary proceedings for uncontested money claims;
  - Enforcement Agents: for *enforceable titles* (documentary, bank loan agreements, rent payments)
  - Provisional measures (conservatory, temporary injunctions etc) available
  - EU Brussels Regime for EU Court decision recognition
  - ICSID Convention: ICSID Awards are deemed enforceable local decisions
  - New York Convention 1958: easy recognition of International Arbitral Awards





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**CONSORTIUM** legal  
STRATEGIC  
ALLIANCES



# • Romania Legal Environment: Arbitration

- Developing Arbitration market
- Strong recognition of arbitration awards in the Romanian Civil Procedure
- New York Convention (discussed before): 'Brexit proof'
- Arbitral Institutions
  - (local) CICA-CCIR (traditional arbitration court by the Chamber of Commerce)
  - (regional) BIAC – new modern institution by AmCham Romania (we support this one, so here's the link: [www.bucharestarbitration.org](http://www.bucharestarbitration.org))
  - (niche language) AHK – German Chamber







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2014

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2011

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