



PACHIU & ASSOCIATES
ATTORNEYS AT LAW

LEGAL UPDATE

Issue No. 61

September 18 — October 11, 2004

Special points of interest:

- Law on the Statute of Local Officials
- Certification of Professional Competence Acquired through Non-Formal Methods
- Law on Private Scholarships

Inside this issue:

Public Authorities	1
Banking	1
Education	2
Consumer Protection	3

PUBLIC AUTHORITIES

Law regarding the Statute of Local Elected Officials

Law No. 393/2004 regarding the Statute of Local Elected Officials was published in Official Gazette No. 912 of October 7, 2004

Law No. 393/2004 (the "Law") establishes the terms and conditions for the exercise of the mandate by the local elected officials.

For the purpose of the Law, local elected officials mean local councilors and county councilors, mayors, the general mayor of the Bucharest municipality, deputy mayors, presidents and vice-presidents of the county councils.

According to the Law, councilors may form political groups, depending on the political parties or alliances on whose lists they were elected.

The mayors and deputy mayors have the obligation to file with the prefect their wealth statement, within three days as of the validation of their mandate (for mayors) and respectively as of their election (for deputy mayors). The

presidents and vice-presidents of the county councils shall file their wealth statements with the Ministry of Administration and Internal Affairs, within 10 days as of their election.

The local elected officials have the obligation to make public their own interests through an affidavit filed with the secretary of the commune, town, municipality, sector of the Bucharest municipality, respectively with the general secretary of the county or the Bucharest municipality, as applicable.

The local elected officials shall be considered as having a particular interest as to a certain matter, if they can foresee that a decision of the public authority of which they are members could represent a benefit or a disadvantage for themselves or for affiliated third parties, as defined by the Law.

The register of interests shall be public and may be

consulted by any interested person.

The Law shall enter into force after 60 days as of its publication with the Official Gazette of Romania. At the same date, certain articles of Law No. 215/2001 on local public administration (articles regarding the joint liability of councilors, mayor's mandate, etc) shall be abrogated.



BANKING

The reference interest rate for October 2004

Circular No. 24/2004 regarding the reference interest rate of the National Bank of Romania for October 2004 was published in Official Gazette No. 911 of October 6, 2004.

The reference interest rate established by the National Bank of Romania for October 2004 is 18.75% per year, lower by 0.49 % than the rate established for September 2004.

EDUCATION

Order No. 4543-468/2004 issued by the Ministry of Education and Research and the Ministry of Labor, Social Solidarity and Family, for the Approval of the Procedure for Assessment and Certification of Professional Competence Acquired by Non-Formal Methods was published in the Official Gazette No. 903 of October 5, 2004.

Assessment and certification of professional competence acquired through non-formal methods

Order No. 4543-468/2004 (the "Order") establishes the procedure for the authorization of entities which may grant certificates of professional competence, as well as the conditions for granting of such certificates.

Any public or private legal entity, either Romanian or foreign, who meets the eligibility conditions and criteria established by the Order, may be authorized by the National Council for Professional Training of Adults to conduct assessments and to issue certificates of professional competence

acquired through non-formal methods. The eligibility conditions are:

- the legal entity must be legally incorporated;
- the legal entity must fulfill its payment obligations as taxes, fees and contributions owed in compliance with the legislation in force;

The authorization is issued taking into consideration the level of performance of the legal entity, established in accordance with the criteria set forth by the Order.

The persons who intend

to be subject to assessment for the acknowledgement of their professional competence acquired through methods other than formal, shall contact an authorized center for the relevant occupation/qualification.

Persons declared as competent following the assessment process shall be issued a certificate of professional competence for the activities in which they were declared competent.

The certificates of professional competence shall be recognized at national level and shall have the legal regime of the graduation papers.

Law No. 376/2004 regarding the private scholarships was published in the Official Gazette No. 899 of October 4, 2004

Law regarding private scholarships

Private scholarships represent support for studies granted by a private legal entity or natural person to a beneficiary that may be, as applicable, pupil, student, doctorand or who follows a post-university training in an accredited higher learning institution in Romania or abroad.

The agreement under which the private scholarship is granted shall include clauses regarding the method in which the beneficiary must meet its study obligations, as well as all the other terms under which the scholarship is granted.

The beneficiary of a private scholarship must

present the agreement, for the purpose of its endorsement, with the learning institution/unit in which it is trained.

The agreement may include clauses providing for the obligation of the beneficiary to work, for a certain period of time, with the legal entity or the natural person that granted the private scholarship, but only for a position compliant with the graduation degree.

For the period during which the private scholarship is granted, the beneficiary shall not work for the entity that granted the scholarship or for another legal entity or natural person appointed by the same.

Legal entities that are profit taxpayers, who grant private scholarships shall deduct from the due profit tax the relevant amounts granted as scholarships, if the following conditions are met on a cumulative basis:

- the scholarships are within the limit of 3% of the turnover;
- the scholarships do not exceed 20% of the due profit tax.

The natural persons who conduct independent activities may grant private scholarships within the limit of 5% of the calculation base, established in accordance with the Fiscal Code.

CONSUMER PROTECTION

Sanitary-Veterinary Rules for Marking and Certification of Products of Animal Origin for Human Consumption, Except Fresh Meat

Order No. 83/2004 issued by the President of the National Sanitary-Veterinary and Food Security Authority for the approval of the Sanitary-Veterinary Rules for Marking and Certification of Products of Animal Origin for Human Consumption, Except Fresh Meat, was published with the Official Gazette No. 927 of October 11, 2004.

The products of animal origin (meat, milk and dairy products, fish and egg products) shall be admitted for human consumption only if bearing the mark of the veterinary public health and if accompanied by a public veterinary health certificate.

Marking of meat products shall be performed during or immediately after processing by the manufacturing unit or by a packaging or re-packaging center.

The form and content of the health mark are estab-

lished by Order 83/2004 on a differentiated basis for each type of products of animal origin for human consumption.

Marking of milk and milk products shall be performed during packaging or immediately after packaging of such products in the unit.

Marking of egg products must be performed visibly immediately after obtaining the product in the unit.

The public veterinary health certificate for each product of animal origin for human consumption shall be

issued by the official veterinary in the processing unit.

The public veterinary health certificate shall be issued for each means of transportation of products.

Issuance of the public veterinary health certificate is contingent upon the prior verification of the products subject to dispatch as well as of the means of transportation.

The original public veterinary health certificate shall accompany the load to its final destination.



PACHIU & ASSOCIATES ATTORNEYS AT LAW

36 Spatarului Street, Suite No.
4, Bucharest 2, Romania
Phone: +40(21) 212 00 23
Fax: + 40 (21) 211 56 36
E-mail: office@lp-legal.com
Web: www.lp-legal.com

Pachiu & Associates is a Romanian registered Law firm. All attorneys are members of the Bucharest Bar and National Union of Lawyers.

This document is an update of recent legal developments in Romania and is designed solely for the purpose of information. No part of this newsletter may be reproduced without prior written approval of the authors. It is a breach of law to proceed otherwise and might lead to civil, criminal and administrative liability. The readers are advised to seek advise from a qualified attorney when taking decisions based on the content of this document. Pachiu & Associates undertakes no liability regarding the business or legal decisions based on the content of this newsletter.