

NEWSLETTER
Issue No. 79
Romanian legal developments enacted
between
June 1, 2007 to June 30, 2007

BANKING LAW

- *Rule No. 12/2007 of National Bank of Romania (Rom. “Circulara Nr. 12/2007”) regarding the reference interest rate of National Bank of Romania for June 2007 was published with the Official Gazette of Romania No. 381 of June 6, 2007 (“Rule 12/2007”)*

Rule 12/2007 entered into force on June 6, 2007. The reference interest rate established by National Bank of Romania for June 2007 is of 7.25 % per year.

PUBLIC AUTHORITY

- *Government Resolution No. 525/2007 on the establishment and the functioning of the National Authority for Regulating and Monitoring Public Acquisitions (“NARMPA”) was published with the Official Gazette of Romania No. 395 of June 12, 2007 (“GR 525/2007”).*

GR 525/2007 entered into force as of its publication date.

Under the provisions of the aforementioned resolution, NARMPA is deemed as a public institution, subordinated to Romanian Government and coordinated by the General Secretary of the Government.

GR 525/2007 provides for the attributions of NARMPA, the attributions of the president and the vice-president of NARMPA and for the structure of NARMPA.

COMPANY LAW

- *Law No. 159/2007 amending the Law No. 359/2004 regarding the simplification of the formalities at the registration with the Register of Commerce of individuals, family associations and legal entities, fiscal registration of the above-mentioned persons and the authorization of functioning of legal entities (“Law 159/2007”)*

Law 159/2007 was published with the Official Gazette of Romania No. 394 of June 12, 2006 and entered into force on June 15, 2007.

Law 159/2007 provides that the applicant should to submit an affidavit signed by shareholders or administrators, certifying that the legal entity subject to incorporation complies with sanitary,

sanitary-veterinary, environment protection and labor protection regulations, for the activities mentioned with the affidavit.

- *Emergency Government Ordinance No. 58/2007 amending the provisions of art. 13 of Law No. 15/1990 on reorganization of the state economic units as state-owned and commercial companies was published with the Official Gazette of Romania No. 439 of June 28, 2007 (“**EMO 58/2007**”)*

EMO 58/2007 entered into force as of its publication, *i.e.* June 28, 2007. EMO 58/2007 establishes that the mandate of the members of the board of administrators of companies subject to Law No. 15/1990 cannot exceed 4 years. Such mandate may be extended.

Under EMO 58/2007, members of such board of administrators cannot take part in more than 2 boards of administrators, or participate in companies having business affairs or opposite interest with a state-owned company.

LABOR LAW

- *Government Resolution No. 557/2007 supplementing the measures for the improvement of the health and security at working place for employees (hired based on an individual labor agreement for a determined term and for temporary employees hired by temporary labor agents (“**GR 557/2007**”)*

GR 557/2007 was published with the Official Gazette of Romania No. 407 of June 18, 2007 and entered into force on June 18, 2007.

The provisions of GR 557/2007 are applicable to the following categories of employees: i) employees hired based on an individual labor agreement for a determined term; ii) temporary employees hired by temporary labor agents

- *Emergency Government Ordinance No. 55/2007 on establishment of Romanian Immigration Office by reorganization of Foreigners Authority and National Refugees Office, and on amending and supplementing of normative deeds (“**EGO 55/2007**”)* was published with the Official Gazette of Romania No. 424 of June 26, 2007

EGO 55/2007 entered into force as of its publication date. EGO 55/2007 provides for the establishment of Romanian Immigration Office (“**RIO**”), based on the reorganization of Foreigners Authority and National Refugees Office.

RIO shall take over all rights and obligations of the Office for Labor Force Migration with regard paperwork attesting the foreigners working rights.

RIO performs the attributions conferred by law for the implementation of Romanian politics in domains such as: migration, asylum, foreigners integration, and with regard to the relevant legislation on the aforementioned domains.

- *Emergency Government Ordinance No. 56/2007 regarding the employment and the secondment of foreigners in Romania (“**EGO 56/2007**”)* was published with the Official Gazette of Romania No. 424 of June 26, 2007

EGO 56/2007 entered into force on June 26, 2007, except for the provisions of art. 26, which shall enter into force on July 25, 2007.

EG 56/2007 defines terms such as: “foreigner”, “working permit”, “permanent worker”, “seasonal worker”, “seconded worker” etc.

EG 56/2007 establishes the cumulative conditions that have to be fulfilled for the employment of foreigners in Romania: i) vacant working places cannot be occupied by Romanian citizens, citizens of other EU and EES state members or by permanent residents in Romania; ii) foreigners comply with the special professional training conditions and the experience required by the employer; iii) foreigners are medically suitable for the employment in Romania; iv) the foreigners comply with the limited number of work permits established annually under Government decisions; v) the employers have fulfilled their legal payment obligations towards the state budget.

Under EG 56/2007, the following legislation shall be repealed: i) Law No. 203/1999 on working permits; ii) Government Ordinance No. 1873/2005 approving the Implementation Norms applying the provisions of Law No. 203/1999.

- *Law No. 193/2007 amending and supplementing Law No. 1/2000 on the restoration of the ownership right over agricultural and forest lands, requested in compliance with the provisions of Law No. 18/1991 on lands and Law No. 169/1997 (“**Law 193/2007**”)* was published with the Official Gazette of Romania No. 422 of June 25, 2007

Law No. 193/2007 entered into force three day as of its publication, *i.e.* on June 28, 2007.

Law 193/2007 establishes that restoration of the ownership right over agricultural or forest land shall be performed under certain circumstances and shall not exceed the surface of 1,000,000 sqm for each de-possessed owner.

Individuals are entitled to claim restoration of the ownership right for the above-mentioned land within 60 days as of the date of entering into force of Law 193/2007.

NOTE: In connection to this newsletter, readers may address questions to its authors at marius.petroiu@lp-legal.com, or crisrina.voevodski@lp-legal.com, on behalf of Pachi&Associates.

Pachi&Associates is a Romanian registered law firm. All attorneys are members of the Bucharest Bar and National Union of Lawyers. This legislation review 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 its authors. It is a breach of law to proceed otherwise and might lead to civil, criminal and administrative liability. Readers are advised to seek legal advice from a Pachi&Associates attorney, directing requests by fax, mail, or email at office@lp-legal.com. Pachi&Associates law firm undertakes no liability regarding the business or legal decisions based on the content of this newsletter.