

## Simplified requirements for incorporation of Romanian companies

**On 2 July 2020, Romania published Law no. 102/2020 (“Law”), which removes certain barriers hindering the incorporation of Romanian companies. Aimed at improving the rating of Romania’s business in international directories, the Law eases incorporation requirements for Romanian limited liability companies with sole shareholder and the requirements for company registered offices.**

This Law, which amends Romanian Company Law no. 31/1990, was published in Romanian Official Gazette no. 583/2 July 2020 and entered into force on 5 July.

Notably, the Law removes the restriction that limits an individual or a legal entity to act as a sole shareholder in only one Romanian limited liability company; and the restriction that prohibits a Romanian limited liability company from having a sole shareholder limited liability company as its sole shareholder. As a result, an individual or legal entity will be allowed to be a sole shareholder in more than one Romanian limited liability company and the sole shareholder of a limited liability company will be allowed to be a limited liability company owned by a single person.

The Law also repeals restrictions on the number of companies allowed to have their registered offices in the same building (e.g. that the number of companies carrying-out their activities in the same building may not be higher than the number of rooms or designated spaces in the building).

The Law also simplifies the process for registering a company and changing the registered office. Under the Law, companies need only to file a document confirming the right to use the premises designated as the registered office, which bears the stamp of registration with the relevant fiscal authority. In this way, the Law removes previous obligations to submit a certificate issued by the fiscal authorities regarding the non-existence of any other right of use related to the premises and, if the case, a sworn statement assuring compliance with the legal conditions for the registered office.

The Romanian government has 60 days upon the Law's entry into force on 5 July 2020 to revise the methodological norms to reflect the Law’s amendments.

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