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# Legal Bulletin



## Commercial Law

1. Law No. 102/2020 amending and supplementing Company Law No. 31/1990

### Novelties regarding Commercial Law

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1. The Official Journal of Romania No. 583, Part I, of 2 July 2020 published Law No. 102/2020 ("Law No. 102/2020") amending and supplementing Company Law No. 31/1990 ("Law No. 31/1990").
2. The amendments to Law No. 31/1990 are aimed at eliminating certain obligations and formalities required for the establishment of a company in Romania.
3. The amendments brought by Law No. 102/2020, which will be enlarged upon below, cover the following aspects:
  - a) Removal of the prohibition for an individual or a legal entity to act as sole shareholder in several limited liability companies;
  - b) Removal of the prohibition for a limited liability company with sole shareholder to be established by another limited liability company with sole shareholder;
  - c) Reduction of the number of documents necessary for the establishment of the registered office;
  - d) Removal of the prohibition to establish more than one registered office at the same address;
  - e) Removal of the requirement to get approval from the owners' association and from the neighbours when establishing a registered office in an immovable property having residential purpose, under certain circumstances.

- I. **Removal of prohibitions related to the establishment of a limited liability company with sole shareholder**
4. According to the previous form of Law No. 31/1990, an individual or a legal entity could only act as the sole shareholder of no more than one limited liability company. It was also provided that a limited liability company could not have as its sole shareholder another limited liability company with a sole shareholder.
5. Law No. 102/2020 repealed Article 14 of Law No. 31/1990, which stipulated the abovementioned prohibitions, so in the future, it will be possible to set up limited liability companies freely, irrespective of the number of shareholders.
- II. **Less formalities for the establishment of the registered office**
6. Until the new legislation was adopted, the registration of a company or the relocation of its registered office required the following documents:
  - a) The document attesting to the right to use the space intended as a registered office, as registered with the tax body of the National Agency for Fiscal Administration competent in the area where the immovable property intended to be used as a registered office is located;
  - b) A certificate issued by the relevant tax authority confirming that as regards the immovable property intended to be used as a registered office, no other document attesting to the transfer of the right of use has been registered;
  - c) A 'no-overlap' statement in authentic form, in case the certificate issued in accordance with paragraph (b) above shows that the tax authority has already registered other documents attesting to the transfer of the right to use the same immovable property intended as a registered office;
  - d) The approval on changing the purpose of residential buildings, in case the registered office is to be located in a condominium.
7. Law No. 102/2020 abolished the requirement to submit the certificate issued by the competent tax body and the 'no-overlap' statement. Actually, several registered offices will be possible to be established at the same address in the future.
8. Also, according to Law No. 196/2018 on the establishment, organisation and operation of owners' associations and the administration of condominiums, the establishment of the registered office in a residential building required the written approval of the executive committee of the owners' association, and the approval of the directly affected owners who were the neighbours of that immovable property.
9. This approval will no longer be necessary if the company director or managers declare on their own liability that no activity is conducted at the registered office.

## Editors

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