

CMS | Romania amends Companies Law to digitalise shareholders' meetings



On 6 December 2024, Law 299/2024 for amending and supplementing the Romanian Companies Law 31/1990 entered into force.

Law 299/2024 aims to modernise the regulatory framework governing companies, particularly by facilitating digital tools to hold shareholder meetings and reduce bureaucratic burdens. The key provisions introduced through Law 299/2024 include electronic voting in general meetings of shareholders and the removal of excessive formal requirements, such as the need to include the details of real beneficiaries in the company's articles of association.

Key amendments

Law 299/2024 introduced several significant modifications, such as:

a) Electronic voting in general meetings of shareholders

One of the most significant amendments brought by Law 299/2024 is the allowance that general meetings of shareholders can be conducted online. Law 299/2024 specifies that shareholders can participate and vote either in person, or via remote electronic communication. They can also cast votes by correspondence, taking into consideration the technical requirements necessary for each participant identification and a transparent voting process.

More specifically, if permitted by the company's articles of association or by the lawful decision of shareholders, general meetings can be held via electronic means. These electronic systems must ensure:

- Secure technical conditions for the identification of all participants;
- Effective and continuous participation in all meeting's deliberations; and
- Transparent voting, allowing shareholders to verify their votes after the fact.

Shareholder resolutions adopted in an online general meeting of shareholders can be signed either with wet ink or an electronic signature, according to the applicable legislation. This change is expected to make it easier for shareholders to participate in general meetings, reduce event organisation costs, and increase transparency and security in the voting process.

Also, online voting can be an incentive for minority shareholders to participate and vote in general shareholder

meetings since this facilitates their participation in the decision-making process.

b) Removal of the requirement to include real beneficiary data in constitutive documents

To simplify documentation and protect personal data, Law 299/2024 removes the requirement for limited liability companies and joint-stock companies to include the identification data of real beneficiaries and the ways in which control over the company is exercised in their articles of association. This requirement has been considered problematic, particularly for joint-stock companies since updating this information within the short timeframe imposed by law was challenging.

c) Delegation of powers for opening or closing of secondary offices

Another amendment to the Romanian Company Law allows for the delegation of the power to open or close secondary offices in a joint-stock company (e.g. branches, agencies, representative offices or other similar establishments without legal personality) from the shareholder meeting to the board of directors or management board of the company.

This amendment addresses the complexity of activities of some companies where delegation of powers would allow for swifter decision making and fewer burdens on shareholders.

d) Board of directors able to modify the calling notice

The board of directors or the management board will be able to modify the calling notice for the general meeting of shareholders in joint-stock companies after its publication, within a timeframe of maximum 15 days from the date of its publication.

The amended calling notice, including the agenda supplemented with the items proposed by the shareholders or by the board of directors subsequent to the calling, must be published at least ten days before the general meeting, on the date mentioned in the original calling notice.

In conclusion, Law 299/2024 represents an important step in modernising Romanian legislation for companies, offering a more flexible framework adapted to the current needs of the business environment. Implementing electronic voting in general meetings of shareholders will facilitate shareholder participation and simplify administrative formalities, which will reduce bureaucratic burdens, both essential aspects for attracting investments and fostering a competitive business environment.

For more information on electronic signatures in Romania, contact your CMS client partner or local CMS experts: **Rodica Manea** and **Elena Andrei**.