



## NEWSFLASH

### Share Deals in Romania Simplified

Dear Ladies and Gentlemen,

On the 5th of November simplifications of the Companies' Law 31/1990 came into force, which ease, among others, the transfer of shares to third parties (non-shareholders). In contrast to transfers among existing shareholders, the lengthy 2-step procedure for assignments to third parties took about 2 months. Now this procedure has been significantly shortened and adapted to the investors' requirements, which is an answer to the voices from practitioners over the past 10 years.

#### **1. Old procedure**

The classic procedure regarding the transfer of shares to non-shareholders required, as a first step, the publication of a shareholders' decision in the Romanian Official Gazette. After the publication, there was a 30 days period, in which legitimated third parties were allowed to file objections. Only after this term expired would the second step to register the assignment in the commercial register be performed. Even if creditors (including the tax authorities) did not file an objection, the agreed assignment could only be registered after some months.

Therefore, in time-critical share deals, many investors used the (contestable) alternative of contributing within the target company through an insignificant capital increase, in order to then apply for the shorter procedure for the share transfer among shareholders.

#### **2. New procedure**

According to the new procedure, there is no longer a distinction between transfers in favor of shareholders and non-shareholders. The objection period is no longer applicable; however, the transfer decision must be taken by a majority of  $\frac{3}{4}$  of the shares. This requires, of course, that the shareholders did not specify other rules in the articles of incorporation. We will be happy to answer any questions you may have pertaining to this subject.

Sincerely,  
STALFORT Legal. Tax. Audit.

#### **Contact and further information:**



**STALFORT Legal. Tax. Audit.**  
Bucharest – Bistrița – Sibiu

**Office Bucharest:**

T.: +40 – 21 – 301 03 53

F: +40 – 21 – 315 78 36

M: [bukarest@stalfort.ro](mailto:bukarest@stalfort.ro)

[www.stalfort.ro](http://www.stalfort.ro)