

Romania wants to become more attractive for "digital nomads"

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On 14.01.2022, Law No. 22/2022 (hereinafter "**the Law**"), which introduces the concept of "digital nomad" in the Romanian legislation regarding foreigners, was published. This new category of foreigners is granted, under certain conditions, the right to temporary residence on the territory of Romania for the purpose of remote work for companies not established in Romania.

The law amends and supplements the Emergency Ordinance No. 194/2002 (hereinafter "**EO**").

What does "digital nomad" mean?

A digital nomad is a foreigner who

- is employed on the basis of an employment contract concluded with a company registered outside Romania and provides his/ her services by means of information and communication technology, or
- holds a company registered outside Romania, within which he provides services by means of information and communication technology, which he can provide as an employee or by means of his company in a remote way.

Who can act as a "digital nomad"?

The EO defines "foreigners" as persons who do not hold the nationality of Romania or of member state of the EU or the European Economic Area or the Swiss Confederation.

Thus, the new legislation only covers citizens of third-party countries and stateless persons.

As described, according to the definition, a digital nomad either (i) performs remote activities for an employer registered in another state, i.e. including an employer registered in an EU Member State, the European Economic Area or the Swiss Confederation, or (ii) performing remote activities for or through an enterprise registered in another state (including from the EU/ the EEA/ Switzerland).

Most important requirements regarding the residence visa

According to the Law, digital nomads can obtain a temporary residence visa if they reside on the territory of Romania for the scope of living or travelling and continue to earn income from working for the non-resident employer or from their own non-resident business by using information and communication technology.

In order to obtain a residence visa, the digital nomad must prove that he /she

- has earned, and will earn for the entire duration of the visa, income from his/her work amounting to at least three times the average gross monthly salary in Romania in each of the last 6 months prior to the visa application. Currently, the average gross salary in Romania amounts to RON 6,095;
- carries out the activities from which he/ she derives income remotely by means of information and communication technology.

Necessary documents

The most important documents that must accompany the application for a temporary residence visa are:

- employment contract concluded with a company registered outside Romania, proving the remote work, or proof of remote management of a company registered at least three years prior to the application, by means of information and communication technology;
- Proof of the area of activity of the company which the person works for or which he/ she owns, his/ her role in the company and its legal representative;
- Statement of intent regarding the purpose of the stay and the planned activities in Romania, as well as a police criminal record;
- Proof from the competent tax authority that the person or the company it owns has paid all due taxes, duties or other compulsory contributions at the time of the visa application and has no record of tax evasion/ abuse;
- Proof of health insurance and of housing in Romania.

Depending on the case, further evidence, such as travel documents, proof of income and additional documents requested by the Romanian authorities must be submitted.

Certain documents must be presented either in original, together with a certified translation into Romanian, and/or with over-certification (e.g. apostille).

The residence permit explicitly mentions the term "digital nomad".

Conclusion

The regulations only affect third-country nationals and stateless persons - which is logical in itself, since the basic principles of the EU (freedom of movement, freedom to provide services or

freedom of establishment) apply to the others. However, the digital nomad- regulations target high earners.

Romania has responded to the increase in such activities and seems to want to increase its attractiveness in this area. The rules may be of interest not only to digital nomads, but also to non-resident companies contracting their services (whether from or outside the EU, EEA or Switzerland).

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