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Statutory Deadlines for Adjusting Share Capital

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At the end of 2025, Law No. 239/2025 was enacted in Romania, introducing changes concerning the adjustment of the share capital of limited liability companies (SRLs) based on criteria such as net turnover generated. These changes include, among other things, new minimum amounts for authorized capital and specific deadlines for any resulting capital increases.

Minimum Share Capital for Net Turnover > 400,000 RON

For new companies, the required minimum registered share capital was increased from a symbolic amount of 1,- to 500,- RON.

Existing companies whose annual net turnover exceeds 400,000 RON must have share capital of at least 5,000 RON.

The prescribed deadline expires at the end of the following fiscal year: Companies with revenue exceeding 400,000 RON therefore have approximately 18 months to increase their share capital to at least 5,000 RON. For example, if it is determined in May 2026 (upon approval of the 2025 annual financial statements) that the threshold has been exceeded, the capital increase must be completed by **December 31, 2027**.

It is unclear how this deadline should be calculated for companies that had already exceeded the threshold before the law took effect — that is, according to their 2024 annual financial statements (in May 2025). It is unclear whether the affected company must complete the formalities for the capital increase by the end of 2026. In practice, it is generally held that exceeding the turnover threshold before the law takes effect results in a different deadline: *SRLs registered in the Commercial Register must increase their share capital within 2 years of the date Law No. 239/2025 takes effect*. Accordingly, the deadline would expire on **December 18, 2027**.

Additional Obligations

➢ Correction of Net Assets

If a company determines that its net assets (the difference between total assets and total liabilities) have fallen to less than half of its subscribed capital as a result of losses, the management shall convene a shareholders' meeting to decide on the dissolution of the company. If the resolution to dissolve the company is not passed, the company is required **to reduce** its share capital by the end of the fiscal year following the year in which the losses were determined, by an amount at least equal to the losses that could not be covered by reserves.

Example:

For losses determined in May 2026 for the year 2025, the deadline for reducing the share capital is **December 31, 2027.**

Failure to comply with the company's obligation to restore its net assets within the prescribed time limit is punishable by a fine of 10,000 to 200,000 RON.

This requirement to restore net assets is not new under Romanian corporate law; however, the introduction of specific fines and direct inspections by the tax authority (ANAF) is new.

➢ Conversion of Shareholder Loans into Share Capital

Another new provision is a two-year deadline for converting shareholder loans or other forms of financing into share capital in cases where the company's net assets have fallen below the statutory threshold and no resolution to cancel or reduce the share capital has been adopted.

Example:

In May 2026, the shareholders' meeting approves the annual financial statements, which show a loss for the year 2025.

The effective date for the start of the two-year period is December 31, 2026 (the end of the fiscal year following the year in which the loss was determined). Accordingly, the company has the years 2027 and 2028 to improve its financial ratios using conventional measured (voluntary reduction of share capital or measures to increase net assets through profits or new capital contributions).

If this does not occur — that is, if shareholder loans or other forms of financing remain in place— these loans must be converted into share capital (*debt-to-equity swap*) by December 31, 2028, at the latest, to eliminate the liabilities and restore the company's equity position.

As a result of the mandatory two-year deadline, the shareholders can no longer postpone restructuring decisions indefinitely. They must either accept the losses and reduce the existing share capital, or permanently convert existing loans by issuing new equity interests.

Conclusion

The main purpose of the strict deadlines and mechanisms introduced by Law No. 239/2025 into Romanian corporate law is to combat structural undercapitalization and to protect third parties, such as creditors, suppliers, and the state. The purpose is undoubtedly legitimate and will, above all, bring "dormant" companies into compliance.

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