

Recent instructions issued by Romanian Trade Registry

In May 2021, the Romanian Trade Registry published instructions on its website regarding two corporate issues: **(i) the duration of Romanian companies organized and functioning under law no. 31/1990 on Companies, as further republished and amended, and (ii) the duration of the mandate of directors of limited liability companies.**

Please note that such instructions have not been triggered by any amendments in the laws applicable to such corporate issues, but they were published, most probably, with the aim of ensuring a unified practice at the level of all the trade registries from Bucharest and the counties of Romania.

Thus, it is highly recommended that such instructions should be complied with by the envisaged corporate entities while registering corporate operations with the competent Trade Registry.

The first issue, regarding the duration of Romanian companies, envisages the wording in Romanian of companies that are incorporated with an unlimited period. As per the instructions, the wording will no longer be “unlimited” (“nelimitată”), but, the applicable term will “undetermined” (“nedeterminată”).

Consequently, companies that will be incorporated will submit articles of association providing for the above-mentioned wording, while already-incorporated companies **will provide for this amendment when registering other corporate operations with the Trade Registry.**

The second issue mentioned in the instructions regards the mandate of directors of limited liability companies.

A limited, express term, in years/months, will have to be provided for such mandate, while “unlimited mandates” of directors of limited liability companies will no longer be registered by the Trade Registry.

While it is obvious that upon the appointment and registration of new directors of limited liability companies such instructions will be mandatory, a more complicated issue is the mandate of directors with an unlimited term, already registered as such with the Trade Registry.

In this respect, the instructions issued by the Trade Registry “recommend” that, upon the registration of corporate operations that involve the signing and submission of updated articles of association, the issue of the unlimited mandate of directors of limited liability companies should be addressed, in the sense of providing for a limited term mandate.

For any further information and assistance with respect to the above and any other legal matters, please do not hesitate to contact us at: sebestin@peterkapartners.ro

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