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THE CEE LAW FIRM

Simplified corporate rules brought by new amendments to Law no. 31/1990

On the 5th of November 2020, Law no. 223/2020 on simplifying and eliminating the bureaucracy related to share transfers and payment of share capital (**'Law 223/2020'**) entered into force. Law no. 223/2020 brings certain amendments to Companies' Law which are meant to ease procedures related to the incorporation of limited liability companies and the transfer of shares. Please find hereunder some of the main changes:

Simpler procedure of incorporation for limited liability companies

Compared to the previous version of Companies' Law, according to which the share capital for limited liability companies should have amounted minimum RON 200 and the minimum value per share should have been RON 10, Law 223/2020 completely repealed these requirements. As of the 5th of November 2020, a limited liability company can be incorporated regardless of its share capital amount, the shareholders being able to decide freely on this matter.

Furthermore, Law 223/2020 also repealed the requirement for limited liability companies to prove, upon registration at the Trade Registry, that the payment of the share capital had been made according to the provisions of the Articles of Association.

Easier share transfer to third parties

An important amendment is with respect to the share transfer, Law 223/2020 regulating the possibility for the shareholders in limited liability companies to establish in the Articles of Association a majority inferior to the previous legal majority of $\frac{3}{4}$ of the company's shares which was required for the approval of share transfers to third parties. Moreover, shareholders are even given the possibility to abolish the necessity of this approval. Consequently, shareholders have more freedom when it comes to transferring their shares.

Amendments regarding the right of opposition

As for the right of opposition that creditors and any other prejudiced persons may exert against the general shareholders' meeting resolutions bringing amendments to the Articles of Association, the opposition procedure (starting from the date of publication of the shareholders resolution in the Romanian Official Gazette and continuing for 30-days therefrom) and the related two step registration process in the case of share transfers of shares to third parties in limited liability companies have been repealed.

Moreover, the creditors and other interested persons that may file oppositions against the shareholders resolutions approving the amendment to the Articles of Association, as per article 61 of the Companies Law, no longer have the possibility to request that the application of such resolutions are suspended until the settlement of the filed opposition.

For any further information and assistance with respect to the above topic, and any other legal matters which you may be interested in, please do not hesitate to contact us at our usual contact details which are available at www.peterkapartners.com